CITY OF MUSKEGON
CITY COMMISSION WORKSESSION

Monday, January 9, 2017
5:30 p.m.
City Commission Chambers

AGENDA

1. Tree Grant from Consumer's Energy
2. Red Project
3. Brownfield Plan Amendment – Watermark
4. Amendment to the Zoning Ordinance – Waterfront Industrial Planned Unit Development (WI-PUD)
5. Highpoint Flats Update
6. Any Other Business
7. Adjournment

At a regular meeting of the City Council of the City of Muskegon, County of Muskegon, Michigan, held on the ______ day of ________ 2016, at the Muskegon City Hall in said City at 5:30 p.m.

PRESENT:

ABSENT:

The following preamble and resolution were offered by Councilmember _____________ and supported by Councilmember ______________:

RESOLUTION TO ALLOW GRAND RAPIDS RED PROJECT TO OPERATE A HARM REDUCTION PROGRAM IN THE CITY OF MUSKEGON

WHEREAS, the City of Muskegon is authorized by the provisions of Act 279 of 1909 under MCL 117.3(j), The Home City Rule, to enter into a contract with a private organization to provide for health including the prevention of infectious diseases, prevention of drug abuse, and the counseling and treatment of drug abusers; and

WHEREAS, the City of Muskegon is also authorized by the provisions of Act 368 of 1978 under MCL 333.7457 (f) to allow a private organization operating within the City limits to offer for sale, sell, or give away an object used to prevent the transmission of infectious agents; and

WHEREAS, the transmission of HIV/AIDS, Hepatitis C, and other infectious diseases continues to negatively impact this community, with at least 16% of people currently living with HIV/AIDS in Muskegon County having contracted the disease through injection drug use; and

WHEREAS, the Grand Rapids Red Project has a nineteen year history of working cooperatively with law enforcement, public health organizations, substance abuse treatment agencies, the courts, and the media to educate and inform the public on the principles of a harm reduction program and the results of such a program; and

WHEREAS the Grand Rapids Red Project desires to offer its services throughout Muskegon County, including the city of Muskegon, including the operation of mobile services within the City, to better address the transmission of infectious diseases in the City, including Hepatitis C and HIV/AIDS; and

WHEREAS the Grand Rapids Red Project has secured private funding from a variety of sources; hired staff; developed effective comprehensive collaborations with other community agencies for purposes of referral; and will include HIV and Hepatitis C prevention, counseling and testing, substance abuse counseling, recovery coaching and referral to treatment, and overdose prevention and response training on site as well as referrals for STI testing, food, clothing, shelter, domestic violence and other critical needs of the target population; and

WHEREAS, a proposed resolution to allow Grand Rapids Red Project to operate a harm reduction program in the City of Muskegon pursuant to Act 279 and Act 368 has been presented to the City Council;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Grand Rapids Red Project is authorized to operate a harm reduction program for syringe and needle exchange within the city of Muskegon, including the operation of mobile services within the City, for the sole purposes of preventing the transmission of infectious agents; and

2. The Grand Rapids Red Project, its staff, Board of Directors, and volunteers, while acting within the scope of authority granted herein, are conducting an activity permitted by the state of Michigan and are exempt from the provisions of the Public Health Code, MCL 333.7451, et seq.; and

3. The Grand Rapids Red Project, its staff, Board of Directors, and volunteers, while acting within the scope of authority granted herein, are conducting an activity permitted by the state of Michigan and are exempt from the provisions of Part II, Chapter 54, Article V, Division 1, Section 54-121 of the Code of Ordinances, City of Muskegon, Michigan.

FURTHER INFORMATION may be obtained from the Office of the City Manager at the Muskegon City Hall, 933 Terrace Street, Muskegon, Michigan 49440.

This notice is given by order of the City Council of the City of Muskegon, Michigan.

____

Ann Marie Meisch
City Clerk

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Muskegon, County of Muskegon, State of Michigan, at a regular meeting held on ___________________, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, as amended, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

____

Ann Marie Meisch
City Clerk

AYES:

NAYS:

RESOLUTION DECLARED ADOPTED.

____

Ann Marie Meisch
City Clerk

Commission Meeting Date: January 10, 2017

Date: January 3, 2017

To: Honorable Mayor & City Commission

From: Planning & Economic Development Department

RE: Public Hearing for Brownfield Plan Amendment and Development and Reimbursement Agreement for P&G Holdings NY, LLC Redevelopment Project (Watermark)

SUMMARY OF REQUEST: To hold a public hearing and approve the resolution approving and adopting the amendment to the Brownfield Plan and to approve the Development and Reimbursement Agreement. The amendments are for property owned by P&G Holdings NY, LLC.

FINANCIAL IMPACT: Brownfield Tax Increment Financing will be used to reimburse the developer for "eligible expenses" incurred in association with development of the Watermark project. P&G Holdings NY, LLC cost for the development of the property is approximately $30 million in private investment, resulting in a substantial increase in the local and school taxes generated by the property.

"Eligible Expenses" would be reimbursed starting in 2018. The estimated tax capture and payment schedule is included as Attachment U-3 in the proposed Brownfield Plan Amendment.

After all eligible costs incurred by the various parties are reimbursed (estimated to be in 2047), the BRA is authorized to continue to capture local taxes for five more years for deposit into a Local Site Remediation Revolving Fund.

The Development and Reimbursement Agreement provides the structure for the capture of taxes and the reimbursement to P&G Holdings and the City of Muskegon for eligible expenses.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To hold a public hearing for approval of the Brownfield Plan Amendment for the P&G Holdings NY, LLC Redevelopment Project and approve the attached resolution and authorize the Mayor and Clerk to sign the resolution, and to approve the Development and Reimbursement Agreement between P&G Holdings NY, LLC, the City of Muskegon and the City of Muskegon Brownfield Redevelopment Authority.

COMMITTEE RECOMMENDATION: The Muskegon City Commission set the public hearing for January 10, 2017 at their December 13, 2016 meeting. Since that time, a notice of the public hearing has been sent to taxing jurisdictions. In addition, the Brownfield Redevelopment Authority approved the Plan amendment and the Development and Reimbursement Agreement on December 6, 2016 and recommends that the Muskegon City Commission approve the Plan amendment and Development and Reimbursement Agreement.

RESOLUTION APPROVING THE BROWNFIELD PLAN AMENDMENT AND

DEVELOPMENT AND REIMBURESMENT AGREEMENT

P & G Holdings NY, LLC Redevelopment Project (Watermark)

City of Muskegon

County of Muskegon, Michigan

Minutes of a Regular Meeting of the City Commission of the City of Muskegon, County of Muskegon, Michigan (the "City"), held in the City Commission Chambers, on the 10th day of January 2017, at 5:30 p.m., prevailing Eastern Time.

PRESENT: Members

____

____

ABSENT: Members

____

The following preamble and resolution were offered by Commissioner _________________ and supported by Commissioner _________________:

WHEREAS, in accordance with the provisions of Act 381, Public Acts of Michigan, 1996, as amended ("Act 381"), the City of Muskegon Brownfield Redevelopment Authority (the "Authority") has prepared and approved a Brownfield Plan Amendment to add P & G Holdings NY, LLC Redevelopment Project (Watermark) ; and

WHEREAS, the Authority has forwarded the Brownfield Plan Amendment to the City Commission requesting its approval of the Brownfield Plan Amendment; and

WHEREAS, the Authority has forwarded the Development and Reimbursement Agreement to the City Commission requesting its approval of the Development and Reimbursement Agreement; and

WHEREAS, the City Commission has provided notice and a reasonable opportunity to the taxing jurisdictions levying taxes subject to capture to express their views and recommendations regarding the Brownfield Plan Amendment, as required by Act 381; and

WHEREAS, not less than 10 days has passed since the City Commission provided notice of the proposed Brownfield Plan to the taxing units; and

WHEREAS, the City Commission held a public hearing on the proposed Brownfield Plan on January 10, 2017.

NOW, THEREFORE, BE IT RESOLVED, THAT:

1. That the Brownfield Plan constitutes a public purpose under Act 381.

2. That the Brownfield Plan meets all the requirements of Section 13(1) of Act 381.

3. That the proposed method of financing the costs of the eligible activities, as identified in the Brownfield Plan and defined in Act 381, is feasible and the Authority has the authority to arrange the financing.

4. That the costs of the eligible activities proposed in the Brownfield Plan are reasonable and necessary to carry out the purposes of Act 381.

5. That the amount of captured taxable value estimated to result from the adoption of the Brownfield Plan is reasonable.

6. That the Brownfield Plan in the form presented is approved and is effective immediately.

7. That the Development and Reimbursement Agreement is approved and is effective immediately.

8. That all resolutions or parts of resolutions in conflict herewith shall be and the same are hereby rescinded.

Be It Further Resolved that the Mayor and City Clerk are hereby authorized to execute all documents necessary or appropriate to implement the provisions of the Brownfield Plan.

AYES: Members

____

____

____

NAYS:

Members____

____

RESOLUTION DECLARED ADOPTED.

____
Ann Marie Meisch, City Clerk

____
Stephen J. Gawron, Mayor

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Commission of the City of Muskegon, County of Muskegon, State of Michigan, at a regular meeting held on January 10, 2017, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, as amended, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

____

Ann Marie Meisch, City Clerk

CITY OF MUSKEGON BROWNFIELD REDEVELOPMENT AUTHORITY

BROWNFIELD PLAN AMENDMENT FOR THE P&G HOLDINGS NY, LLC REDEVELOPMENT PROJECT

August 17, 2016

CITY OF MUSKEGON BROWNFIELD REDEVELOPMENT AUTHORITY

BROWNFIELD PLAN AMENDMENT FOR THE P&G HOLDINGS NY, LLC REDEVELOPMENT PROJECT

Original Plan Approved by the Board of the City of Muskegon Brownfield Redevelopment Authority on **February 23, 1998,** with amendments approved 8/10/98; 6/13/00; 4/15/03; 7/7/03; 4/20/04; 6/21/04; 9/8/04; 9/5/06; 2/23/07; 5/15/07, 11/12/07, 5/13/08, 6/24/08, 4/9/13 _______________.

Original Plan Approved by the City Commission of the City of Muskegon on **April 14, 1998,** with amendments approved 8/11/98; 7/11/00; 5/27/03; 8/12/03; 5/25/04; 7/13/04; 7/27/04; 10/12/04; 10/24/06; 3/27/07; 6/12/07; 1/8/08, 5/13/08, 6/24/08, 5/14/13 and ______________.

CITY OF MUSKEGON
BROWNFIELD REDEVELOPMENT AUTHORITY
BROWNFIELD PLAN

INDEX

I. INTRODUCTION

In order to promote the revitalization of commercial, industrial, and residential properties within the boundaries of the City of Muskegon (the "City"), the City established the City of Muskegon Brownfield Redevelopment Authority (the "Authority") pursuant to the Brownfield Redevelopment Financing Act, P.A. 381 of 1996, as amended ("Act 381"), and a resolution adopted by the Muskegon City Commission on February 10, 1998. Terms defined in Act 381 and applicable sections of the statute are noted in *italics* throughout this document.

The major purpose of this Brownfield Plan ("Plan") is to promote the redevelopment of *eligible properties* within the City that are impacted by the presence of hazardous substances in concentrations that exceed Michigan's Part 201 Generic Cleanup Criteria ("*facilities*") or that have been determined to be Functionally Obsolete or Blighted. Inclusion of property within this Plan can facilitate financing of environmental response activities, infrastructure improvements, demolition, lead or asbestos abatement, and site preparation activities at *eligible properties*; and may also provide other incentives to eligible taxpayers willing to invest in revitalization of *eligible properties*. By facilitating redevelopment of underutilized *eligible properties*, the Plan is intended to promote economic growth for the benefit of the residents of the City and all taxing units located within and benefited by the Authority.

This Plan is intended to be a living document, which can be amended as necessary to achieve the purposes of Act 381. It is specifically anticipated that properties will be continually added to the Plan as new projects are identified. The Plan contains general provisions applicable to the Plan, as well as property-specific information for each project. The applicable Sections of Act 381 are noted throughout the Plan for reference purposes.

This Brownfield Plan contains the information required by Section 13(1) of Act 381, as amended. Additional information is available from the Muskegon City Manager or the Director of Planning and Economic Development.

II. GENERAL PROVISIONS

A. Costs of the Brownfield Plan *(Section 13(1)(a))*

Any site-specific costs of implementing this Plan are described in the site-specific section of the Plan. Site-specific sources of funding may include tax increment financing revenue generated from new development on eligible brownfield properties, state and federal grant or loan funds, and/or private parties. Where private parties finance the costs of eligible activities under the Plan, tax increment revenues may be used to reimburse the private parties. The initial costs related to preparation of the Brownfield Plan were funded by the City's general fund. Subsequent amendments to the Plan may be funded by the person requesting inclusion of a project in the Plan, and if eligible, may be reimbursed through tax increment financing.

The Authority intends to pay for administrative costs and all of the things necessary or convenient to achieve the objectives and purposes of the Authority with fees charged to applicants to be included in the Plan, and any eligible tax increment revenues collected pursuant to the Plan, in accordance with the provisions of Act 381, including, but not limited to:

i) the cost of financial tracking and auditing the funds of the Authority,
ii) costs for amending and/or updating this Plan, and
iii) costs for Plan implementation

Tax increment revenues that may be generated and captured by this Plan are identified in the site-specific sections of this Plan.

B. Method for Financing Costs of Plan *(Section 13(1)(d) and (e))*

The City or Brownfield Authority may incur some debt on a site-specific basis. Please refer to the site-specific section of this Plan for details on any debt to be incurred by the City or Authority. When a property proposed for inclusion in the Plan is in an area where tax increment financing is a viable option, the Authority intends to enter into Development Agreements with the property owners/developers of properties included in the Plan to reimburse them for the costs of eligible activities undertaken pursuant to this Plan. Financing arrangements will be specified in a Development and Reimbursement Agreement, and also identified in the Site Specific section of the Plan.

C. Duration of the Brownfield Plan *(Section 13(1)(f))*

The duration of this Plan is expected to be 35 years. It is estimated that the demolition and abatement costs associated with the Project (defined below) will be completed by the end of 2017 and it is estimated that it could take up to 30 years to recapture eligible costs through tax increment revenues. In addition, once all activity costs are reimbursed, funds may be captured for the local site remediation revolving fund, if available. Therefore, the duration of capture for the Project (defined below) will begin no later than 2018 and will continue until such time that all the eligible activities undertaken in this Plan are reimbursed, but in no event will the Plan exceed the maximum duration provided for in (MCLA 125.2663(1)(22)). The total costs of *eligible activities* include the cost of principal and interest on any note or obligation issued by the Authority to pay for the costs of *eligible activities*, the cost of principal and interest otherwise incurred to pay for eligible activities, the reasonable costs of a work plan or remedial action plan and the costs of preparation of Brownfield Plans and amendments.

D. Displacement/Relocation of Individuals on *Eligible Properties* *(Section 13(1)(i),(j)(k)(l)*

The proposed amendment to the Plan will not result in the displacement or relocation of any individuals on *eligible properties* identified in this Plan. Therefore, the provisions of *Section 13(1)(i-l)* are not applicable at this time.

E. Local Site Remediation Revolving Fund *(Section 8; Section 13(1)(m))*

Whenever this Plan includes a property for which taxes will be captured through the tax increment financing authority provided by Act 381, it is the Authority's intent to establish and fund a Local Site Remediation Revolving Fund ("Fund"). The Fund will consist of tax increment revenues that exceed the costs of eligible activities incurred on an eligible property, as specified in *Section 13(5) of Act 381*. Section 13(5) authorizes the capture of tax increment revenue from an eligible property for up to 5 years after the time that capture is required for the purposes of paying the costs of eligible activities identified in the Plan. It is the intention of the Authority to continue to capture tax increment revenues for 5 years after eligible activities are funded from those properties identified for tax capture in the Plan, provided that the time frame allowed by Act 381 for tax capture is sufficient to accommodate capture to capitalize a Fund. The amount of school operating taxes captured for the Revolving Fund will be limited to the amount of school operating taxes captured for eligible environmental response activities under this Plan. It may also include funds appropriated or otherwise made available from public or private sources.

The Revolving Fund may be used to reimburse the Authority, the City, and private parties for the costs of eligible activities at *eligible properties* and other costs as permitted by Act 381. It may also be used for eligible activities on *an eligible property* for which there is no ability to capture tax increment revenues. The establishment of this Revolving Fund will provide additional flexibility to the Authority in facilitating redevelopment of brownfield properties by providing another source of financing for necessary eligible activities.

III. SITE SPECIFIC PROVISIONS

P&G Holdings NY, LLC Redevelopment Project

1. <u>Eligibility and Project Description(Sec. 13(1)(h))</u>

<u>Project Description</u>

The proposed project includes a plan to redevelop approximately 435,000 square feet of the remaining building into a mixed use project that will include residential market rate rental units and a full-scale family entertainment center (the “Project”). The Project will include the addition of approximately 120 new market rate residential apartments and approximately 200,000 square feet of entertainment and commercial space that would include bowling/arcade, a restaurant, laser tag, cybersport, a trampoline park, concert venue, indoor mountain biking and commercial retail/office space spread throughout the building. The Project is expected to reactivate the building and generate the creation of approximately 125+ jobs at the site. The Project will include significant interior demolition and abatement activities in order to prepare the building for redevelopment. A proposed site plan is included in Attachment U-2.

The private capital investment to complete the Project is estimated to be approximately $30+ million with approximately $7.6 million required to address the demolition and abatement costs alone. The Project will likely result in approximately 125+ new jobs with average wages of approximately $10/hr and approximately 85+ temporary construction jobs during the estimated 24 months of construction.

The *eligible property* comprising the P&G Holdings NY, LLC Redevelopment Project included in this Plan consists of three parcels of property in downtown Muskegon, Michigan (see Attachment U-1). The parcel number/legal description of the *eligible property* is:

Address: 920 Washington Avenue

Parcel: #61-24-205-467-0001-00

Legal description:

CITY OF MUSKEGON REVISED PLAT 1903 PT OF BLKS 467 AND 468 AND ENTIRE BLK 474 TOGETHER WITH PT OF THE C & O RR R/W IN SD BLK 467 VAC MICHIGAN AVE BET SD BLKS 467 & 474 THE 2 VAC ALLEYS IN SD BLK 474 DESC AS BEG ON THE N R/W LN OF MICHIGAN AVE AT A POINT BEING N 89D 48M 11S E 549.04 FT FROM THE SW COR OF SD BLK 468 TH N 02D 11M 01S E 7.87 FT TH S 87D 51M 37S E 111.67 FT ALG SLY LN OF A 5 STY BLDG TH N 02D 23M 08S E 85.09 FT ALG E SIDE OF A 4 IN WALL TH S 87D 48M 59S E 28.01 FT ALG NLY LN OF SD 5 STY BLDG TH N 02D 11M 01S E 21.28 FT ALG SD BLDG TH N 88D 38M 32S W 12.93 FT ALG SD BLDG LN TH N 00D 42M 58S E 57.92 FT ALG SD BLDG LN TH S88D 25M 41S E 8.43 FT ALG SD BLDG LN TH N 88D 25M 41S W 0.40 FT ALG SD BLDG LN TH N 01D 34M 19S E 0.30 FT ALG SD BLDG LN TH N 88D 25M 41S W 8.72 FT ALG SD BLDG LN TH N 00D 30M 20S E 24.63 FT TH N 82D 30M 04S W 8.71 FT TH S 00D 30M 20S W 9.53 FT TH N 83D 24M 04S W 13.72 FT ALG SD 5 STY BLDG LN TH N 09D 23M 07S E 9.68 FT ALG SD 5 STY BLDG LN TH N 82D 30M 04S W 112.12 FT ALG SD BLDG LN & THE EXTENSION TH'OF TH N 07D 28M 33S E 75.55 FT ALG SD BLDG LN & THE EXTENSION TH'OF TH S 82D 42M 42S E 474.11 FT ALG THE SLY R/W LN OF WESTERN AVE TH S 00D 01M 06S E 664.21 FT ALG THE W R/W LN 0F DIVISION ST TH S 89D 34M 02S W 476.58 FT ALG THE N R/W LN OF WASHINGTON AVE TH N 00D 20M 35S W 414.17 FT ALG THE E R/W LN OF HUDSON ST TH S89D 48M 11S W 1.29 FT ALG THE S R/W LN OF MICHIGAN AVE TO POB CONTAINING 304,686 SF (6.995 AC) SUBJ TO DECLARATION OF RESTRICTIVE COVENANT RECOR'D 3629/083 SBJT TO ELECTRIC LNS ESMT RECORD'D L/P 3630/666 DESC AS A 10FT WIDE STRIP & BEING 5 FT ON EA SIDE OF EA UNDERGROUND ELECTRIC LN AS CONSTRUCTED ON OWNER'S LAND A 30 FT WIDE STRIP OF LAND BEING 15 FT ON EA SIDE OF EA OVERHEAD ELECTRIC LN AS CONSTRUCTED ON OWNERS LAND

Address: 965 W. Western Avenue

Parcel: #61-24-205-468-0001-10

Legal description:

CITY OF MUSKEGON REVISED PLAT 1903 BLK 468 AND PT OF BLK 467 VAC ALLEY IN BLK 468 PART OF FORMER C & O RAILROAD R/W IN BLK 467 & 468 AND VAC HUDSON ST BET BLK 467 AND 468 AND ALL BEING DESC AS BEG AT THE SW COR OF SAID BLK 468 TH N 00D 19M 25S W 351.64 FT ALG E R/W LN OF FRANKLIN ST TH N 89D 58M 00S E 278.5 FT ALG THE S R/W LN OF WESTERN AVE TH S 82D 42M 42S E 284.66 FT ALG SD R/W LN TH S 07D 28M 33S W 75.55 FT ALG THE WLY LN & EXTENSION TH'OF OF A 5 STORY BRICK BLDG TH S 82D 30M 04S E 112.12 FT ALG SD BLDG LN & THE EXTENSION TH'OF TH S 09D 23M 07S W 9.68 FT ALG SD BLDG LN TH S 83D 24M 04S E 13.72 FT ALG SD BLDG LN TH N 00D 30M 04S E 8.71 FT TH S 00D 30M 20S W 24.63 FT TH S 88D 25M 41S E 8.72 FTALG SD BLDG LN TH S 01D 34M 19S W 0.30 FT ALG SD BLDG LN TH S 88D 25M 41S E 0.40 FT ALG SD BLDG LN TH S 00D 42M 58S W 29.45 FT ALG SD BLDG LN TH N 88D 25M 41S W 8.43 FT ALG SD BLDG LN TH S 00D 42M 58S W 57.92 FT ALG SD BLDG LN TH S 88D 38M 32S E 12.93 FT ALG SD BLDG LN TH S 02D 11M 01S W 21.28 FT ALG SD BLDG LN TH N 87D 48M 59S W 28.01 FT ALG SD BLDG LN TH S 02D 23M 08S W 85.09 FT ALG E SIDE OF A 4 IN WALL TH N 87D 51M 37S W 111.67 FT ALG SLY SIDE OF SD 5 STY BLDG LN TH S 02D 11M 01S W 7.87 FT TH S 89D 48M 11S W 549.04 FT ALG N LN OF MICHIGAN AVE TO POB CONTAINING 217056 SF (4.983 AC) SUBJ TO DECLARATION OF RESTRICTIVE COVENANT RECOR'D 3629/083

Address: 1330 Division Street

Parcel: #61-24-205-466-0001-00

Legal description:

CITY OF MUSKEGON THAT PT OF BLKS 466 & 475 VAC MICHIGAN AVE AND VAC CLAY AVE COM AT THE SW COR OF SD BLK 475 FOR POB TH N ALG E LN OF DIVISION ST 337.47 FT TH N 89D 40M 00S E 427.35 FT TO W LN OF HENRY ST TH S 05D 18M 10S W ALG SD W LN 144.97 FT TO NE COR OF SD BLK 475 TH S 00D 28M 45S W ALG SD W LN 194.75 FT TO SE COR OF SD BLK 475 TH S 89D 52M 30S W ALG S LN OF SD BLK 412.33 FT TO POB SUBJ TO DECLARATION OF RESTRICTIVE COVENANT RECOR'D 3629/083

This *eligible property* includes all existing real and new personal property.

The eligible property is considered a "facility" pursuant to Part 201. A limited Industrial/Commercial Remedial Action Plan (RAP) submitted by Lakeview Industrial Center, Inc. for the entire Shaw Walker facility was approved by the MDEQ on November 14, 2000. P&G purchased a portion of the facility for redevelopment and prepared a Baseline Environmental Assessment dated January 11, 2002 for disclosure to the MDEQ. Subsequently, P&G worked with the MDEQ to prepare an Interim Response Designed to Meet Criteria (IRDC), to allow for a portion of the eligible property to be used for residential purposes. The IRDC plan, dated October 17, 2003, was approved by MDEQ on December 15, 2003. The eligible property had concentrations of benzo(a)pyrene, lead, dibenz(a,h)anthracene and arsenic in excess of residential direct contact cleanup criteria. Therefore, the eligible property is considered a "facility" pursuant to Part 201 and is therefore an eligible property pursuant to Act 381 of 1996, as amended.

Eligible Activities, Financing, Cost of Plan (Sec. 13(1) (a),(b),(c),(d),(g))

Eligible activities included for reimbursement consist of demolition, lead and asbestos abatement, site preparation and infrastructure improvements (see chart below).

Eligible Activities

Demolition	$ 5,650,000
Lead and Asbestos Abatement	$ 2,000,000
Site Preparation	$ 60,000
Infrastructure Improvements	
- *Private*	*$ 75,000*
- *Public (City Street)*	*$ 240,000*
Sub-total	*$ 8,025,000*
Contingency (15%)	$ 1,203,750
Brownfield Plan/Work Plan Preparation and Development	$ 30,000
Total Eligible Activities to be paid for under this Plan	**$ 9,258,750**

The eligible activities described above will occur on the Property and are further described as follows:

1. Demolition: Demolition will include significant selective interior and exterior demolition of roofing, flooring, windows, removal of walls, site demolition of existing improvements, etc. Demolition is necessary in order to prepare the project for the proposed improvements.

2. Lead and Asbestos Abatement: Due to the age of the building, it is expected that lead and asbestos will be encountered during the demolition process. Therefore, a survey will be conducted to determine the extent and scope of the abatement and materials will be removed and properly disposed of by a licensed contractor.

3. Site Preparation: Site Preparation on the Property will include mass grading of the existing site on Division.

4. Infrastructure Improvements: Infrastructure Improvements will include utility upgrades to the existing storm sewers, water service, sanitary sewer, streets, sidewalks, curbs and gutters, landscaping and mill and repaving of Western Ave from Franklin to Shoreline Drive (approximately 1,000').

5. Brownfield/Work Plan Preparation and Development: Costs incurred to prepare and develop this brownfield plan and a work plan, as required per Act 381 of 1996, as amended.

An estimate of the captured taxable value and tax increment revenues, which includes the impact on the taxing jurisdictions, is attached as Attachment U-3.

The cost to conduct the Project eligible activities included in this Plan will be initially provided by P&G Holdings NY, LLC and they will seek reimbursement for eligible activities through tax increment financing from local and state taxes. The Downtown Development Authority Tax Increment Financing Plan is expected to support a pass-through of its capture to allow the Brownfield Authority to capture 100% of the projected increment from the Project. It is intended that the Authority will capture 100% of the *captured taxable value* from the Property to reimburse the developer for *eligible activities* incurred for the Project. No advances via bond or notes will be made from the City for this Plan.

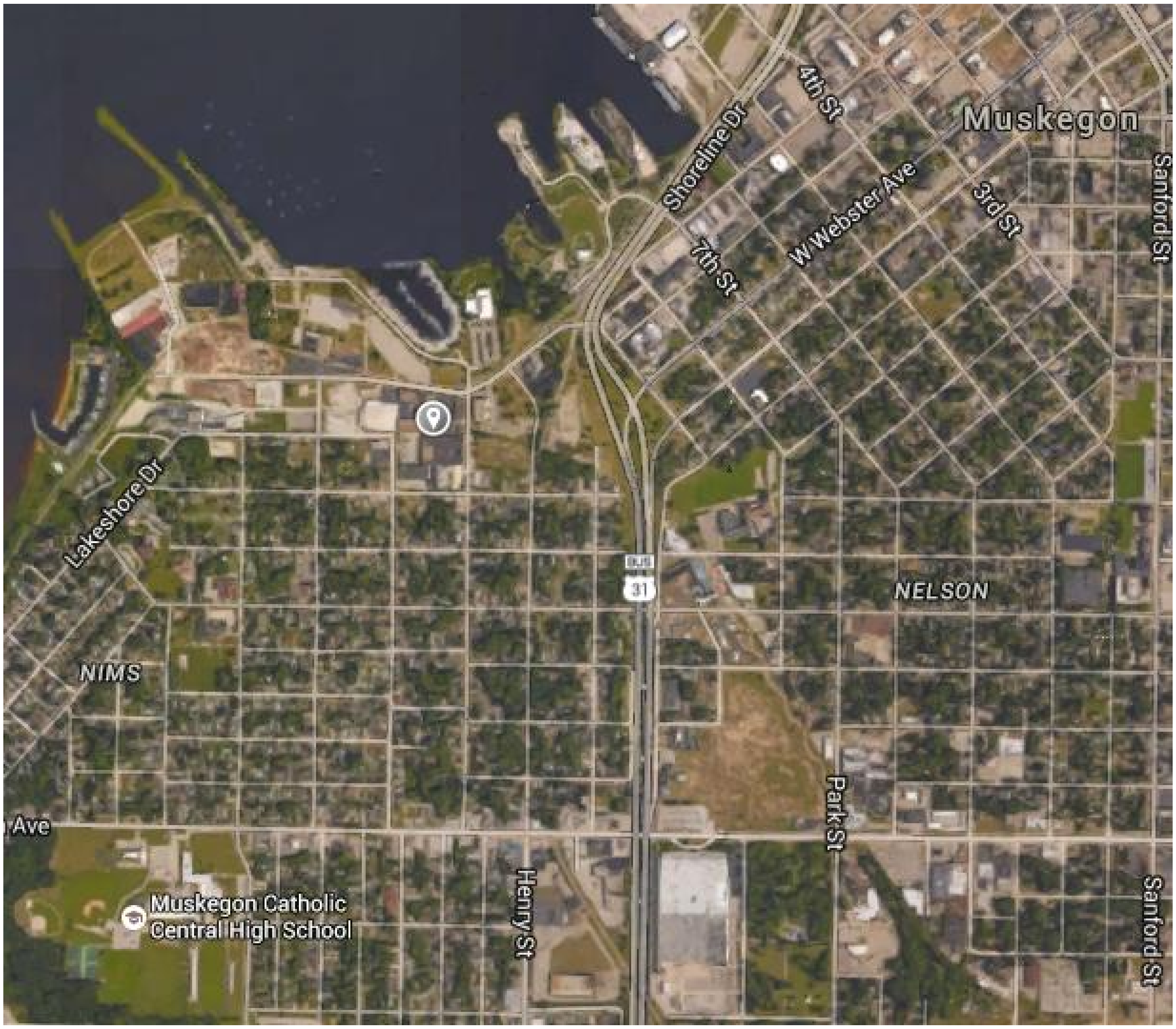
Effective Date of Inclusion in Brownfield Plan

The P&G Holdings NY, LLC Redevelopment Project was added to this Plan on _______.

14555733-4

ATTACHMENT U-1

SITE MAP
P&G HOLDINGS NY, LLC REDEVELOPMENT PROJECT

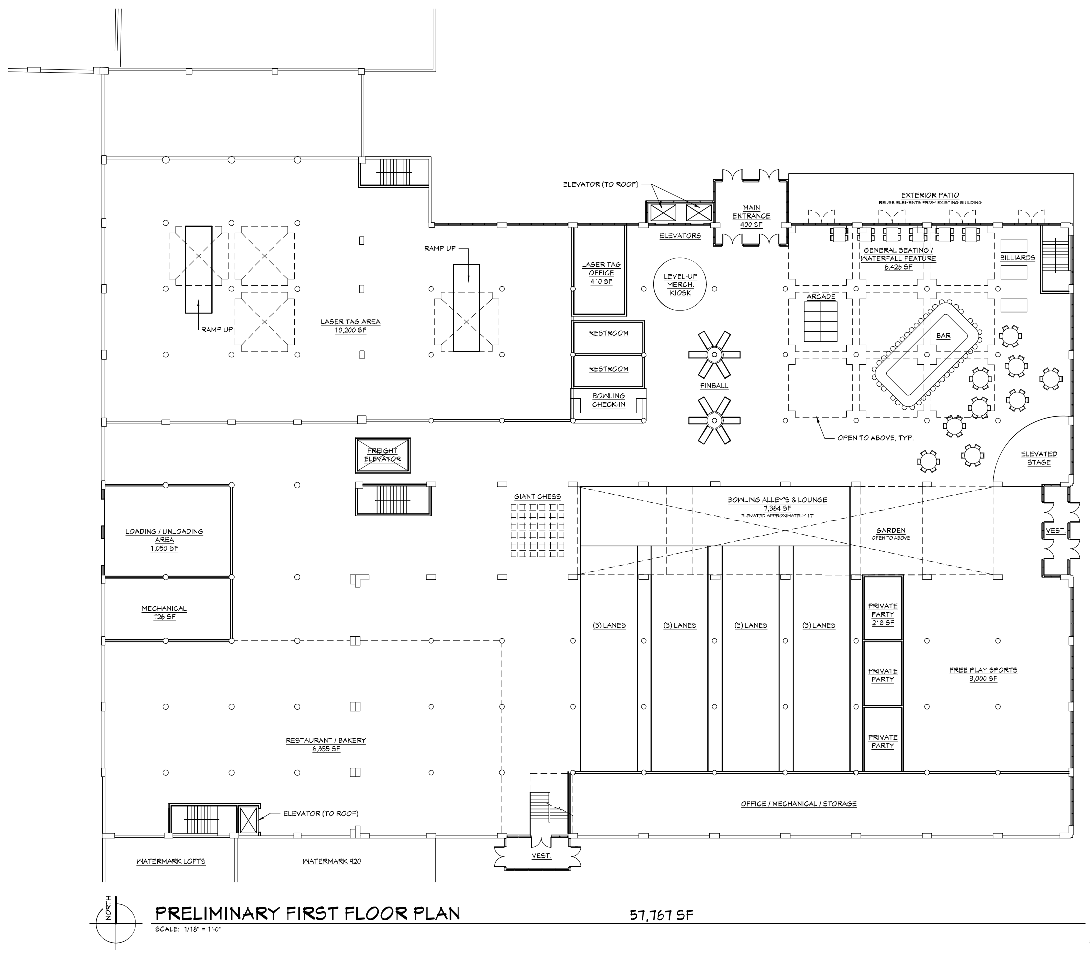

Muskegon
Shoreline Dr
4th St
W Webster Ave
3rd St
7th St
Sanford St
Lakeshore Dr
BUS
31
NELSON
NIMS
Park St
Ave
Muskegon Catholic
Central High School
Henry St
Sanford St


Michigan Ave
Watermark Center
Division St
11th St
Henny St
Franklin St
Hudson St
Fatty Lumpkins
Sandwich Shack


576
575
468
467
466
474
473
475
476
474

ATTACHMENT U-2

PROPOSED SITE PLAN
P&G HOLDINGS NY, LLC REDEVELOPMENT PROJECT



PRELIMINARY FIRST FLOOR PLAN

SCALE: 1/16" = 1'-0"

57,767 SF

PRELIMINARY
NOT FOR CONSTRUCTION

CONCEPT DESIGN STUDIO, INC.
500 E. ELLIS ROAD, SUITE 508
NORTON SHORES, MI 49441
PH. (231) 799-4838
FAX (231) 799-4837

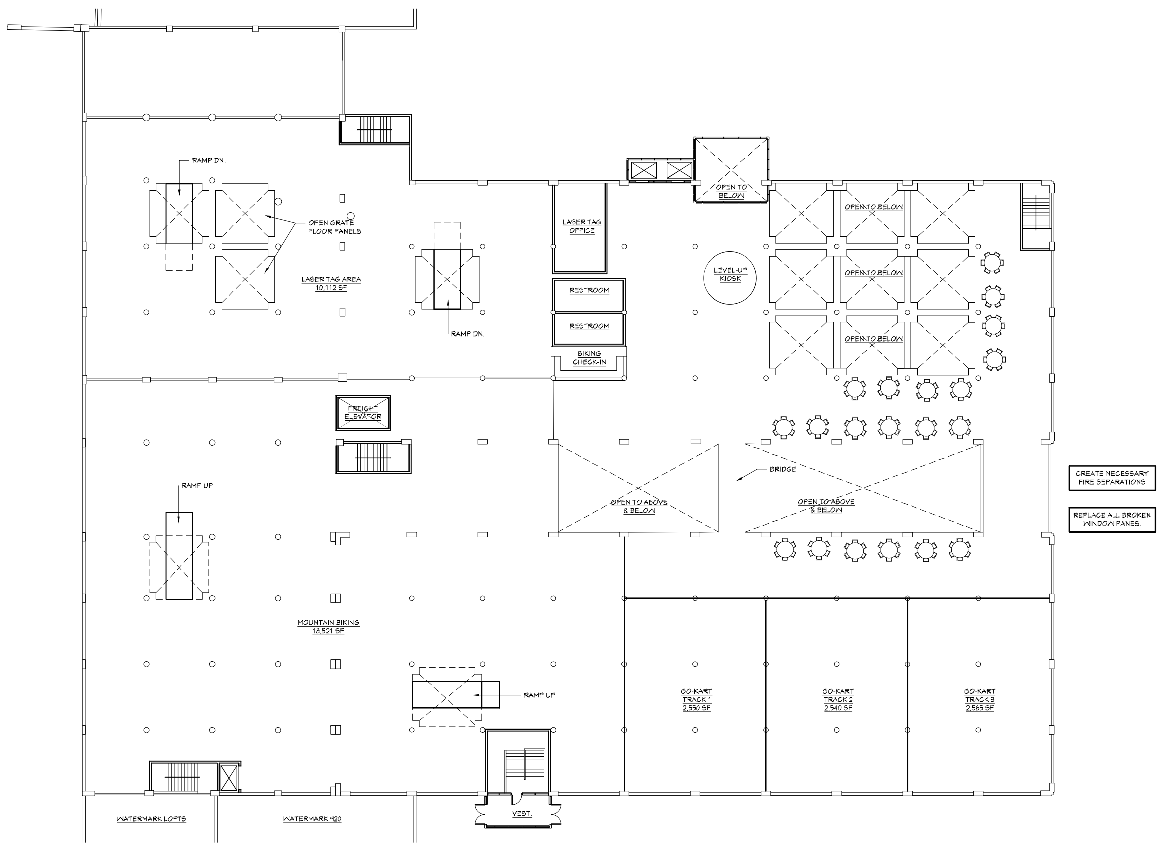
CDS
CONCEPT DESIGN STUDIO, INC.

SCHEMATIC DESIGN FOR
LEVEL UP @ WATERMARK
MUSKEGON, MICHIGAN

PROJECT #	0284-14
ISSUANCES	
OWNER REVIEW	02.11.2014
OWNER REVIEW	03.12.2014
REVISIONS	
REVIEW COMMENTS	05.01.2015
DRAWN BY	KYL

SHEET TITLE
PRELIMINARY FIRST FLOOR PLAN

SHEET NO.
A1.01



PRELIMINARY SECOND FLOOR PLAN

SCALE: 1/16" = 1'-0"

57,767 SF

CDS
CONCEPT DESIGN STUDIO, INC.
CONCEPT DESIGN STUDIO, INC.
500 E. ELLIS ROAD, SUITE 508
NORTON SHORES, MI 49441
PH. (231) 799-4838
FAX (231) 799-4837

SCHEMATIC DESIGN FOR

LEVEL UP @ WATERMARK

MUSKEGON, MICHIGAN

PROJECT #	0284-14
ISSUANCES	
OWNER REVIEW	02.11.2014
OWNER REVIEW	03.12.2014
REVISIONS	
REVIEW COMMENTS	05.01.2015
DRAWN BY	KYL
SHEET TITLE	PRELIMINARY SECOND FLOOR PLAN
SHEET NO.	A1.02

CONCEPT DESIGN STUDIO, INC.
500 E. ELLIS ROAD, SUITE 508
NORTON SHORES, MI 49441
PH. (231) 799-4838
FAX (231) 799-4837

CDS
CONCEPT DESIGN STUDIO, INC.

SCHEMATIC DESIGN FOR

LEVEL UP @ WATERMARK

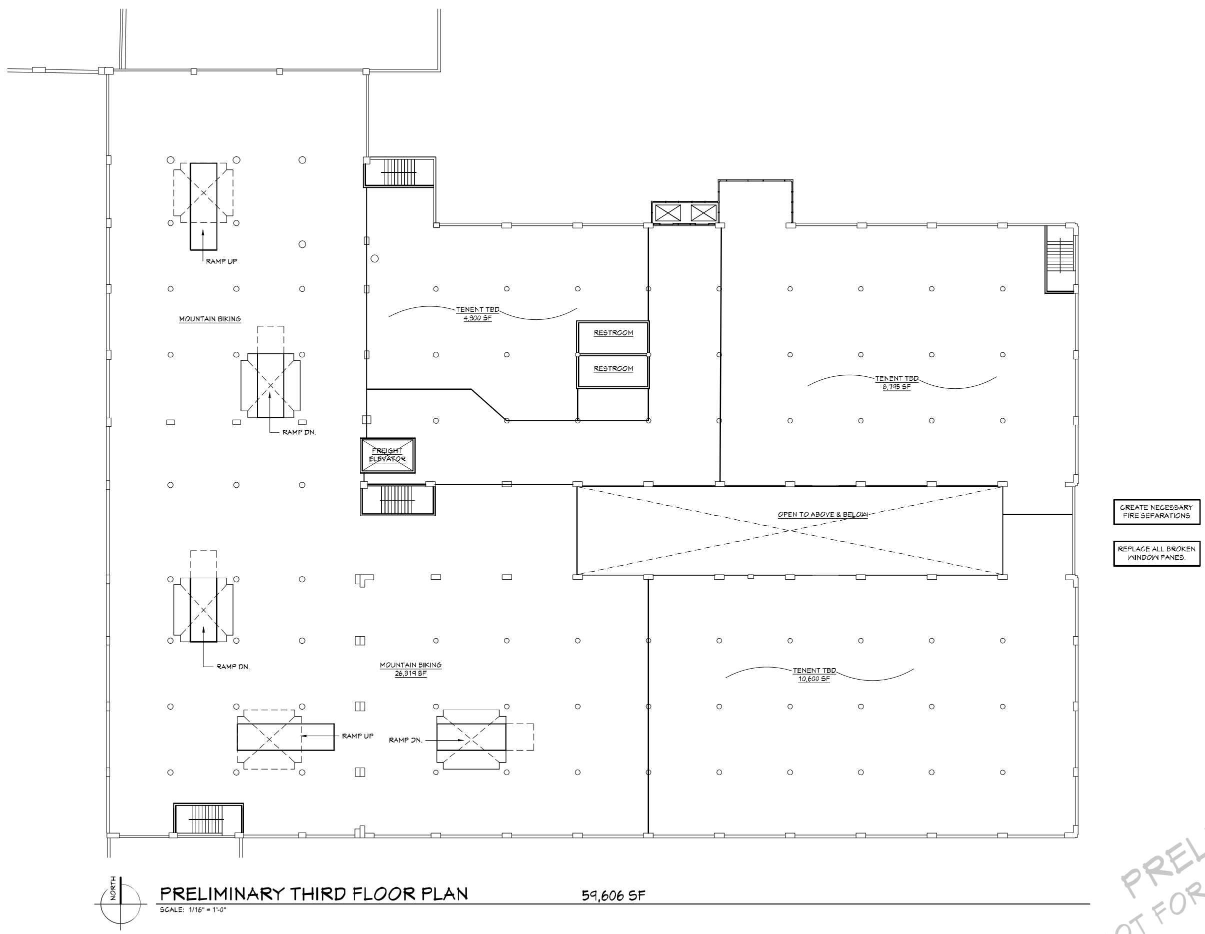
MUSKEGON, MICHIGAN

PROJECT #	0284-14
ISSUANCES	
OWNER REVIEW	02.11.2014
OWNER REVIEW	03.12.2014
REVISIONS	
REVIEW COMMENTS	05.01.2015

DRAWN BY KYL

SHEET TITLE
PRELIMINARY THIRD FLOOR PLAN

SHEET NO.
A1.03

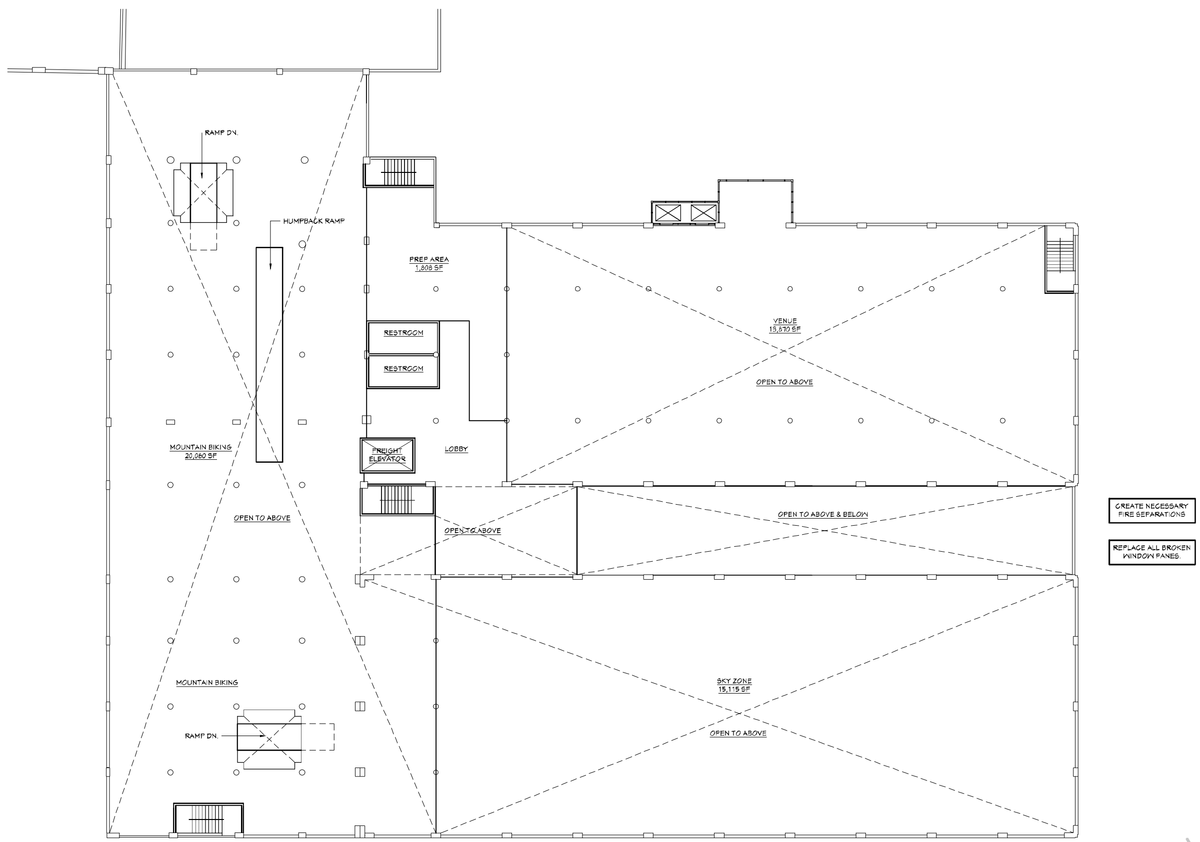


CREATE NECESSARY FIRE SEPARATIONS

REPLACE ALL BROKEN WINDOW PANES

PRELIMINARY THIRD FLOOR PLAN
SCALE: 1/16" = 1'-0"

59,606 SF



PRELIMINARY FOURTH FLOOR PLAN

SCALE: 1/16" = 1'-0"

59,606 SF

CONCEPT DESIGN STUDIO, INC.
500 E. ELLIS ROAD, SUITE 508
NORTON SHORES, MI 49441
PH. (231) 799-4838
FAX (231) 799-4837

CDS
CONCEPT DESIGN STUDIO, INC.

SCHEMATIC DESIGN FOR

LEVEL UP @ WATERMARK

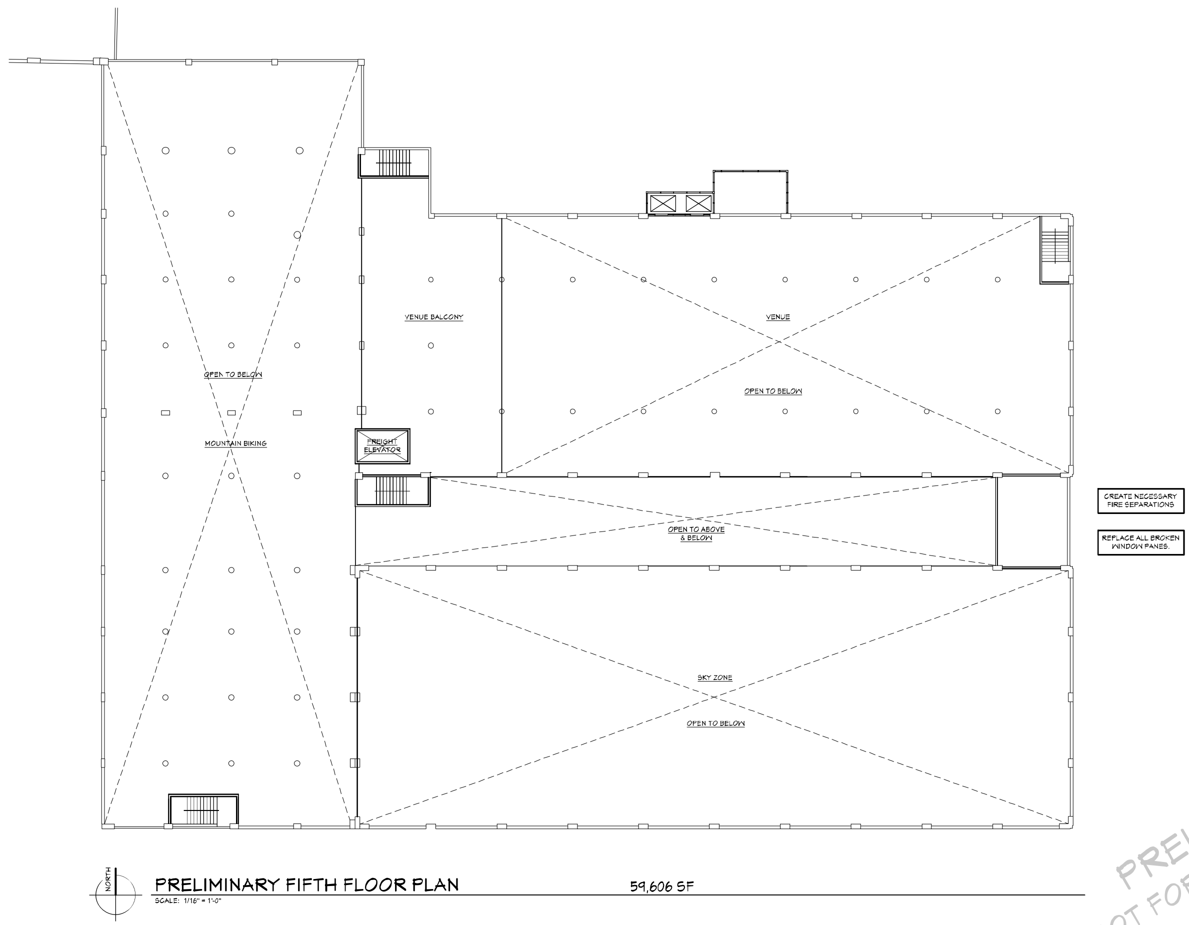
MUSKEGON, MICHIGAN

PROJECT #	0284-14
ISSUANCES	
OWNER REVIEW	02.11.2014
OWNER REVIEW	03.12.2014
REVISIONS	
REVIEW COMMENTS	05.01.2015

DRAWN BY: KYL

SHEET TITLE: PRELIMINARY FOURTH FLOOR PLAN

SHEET NO.: A1.04



PRELIMINARY FIFTH FLOOR PLAN

SCALE: 1/16" = 1'-0"

59,606 SF

CONCEPT DESIGN STUDIO, INC.
500 E. ELLIS ROAD, SUITE 508
NORTON SHORES, MI 49441
PH. (231) 799-4838
FAX (231) 799-4837

CDS
CONCEPT DESIGN STUDIO, INC.

SCHEMATIC DESIGN FOR

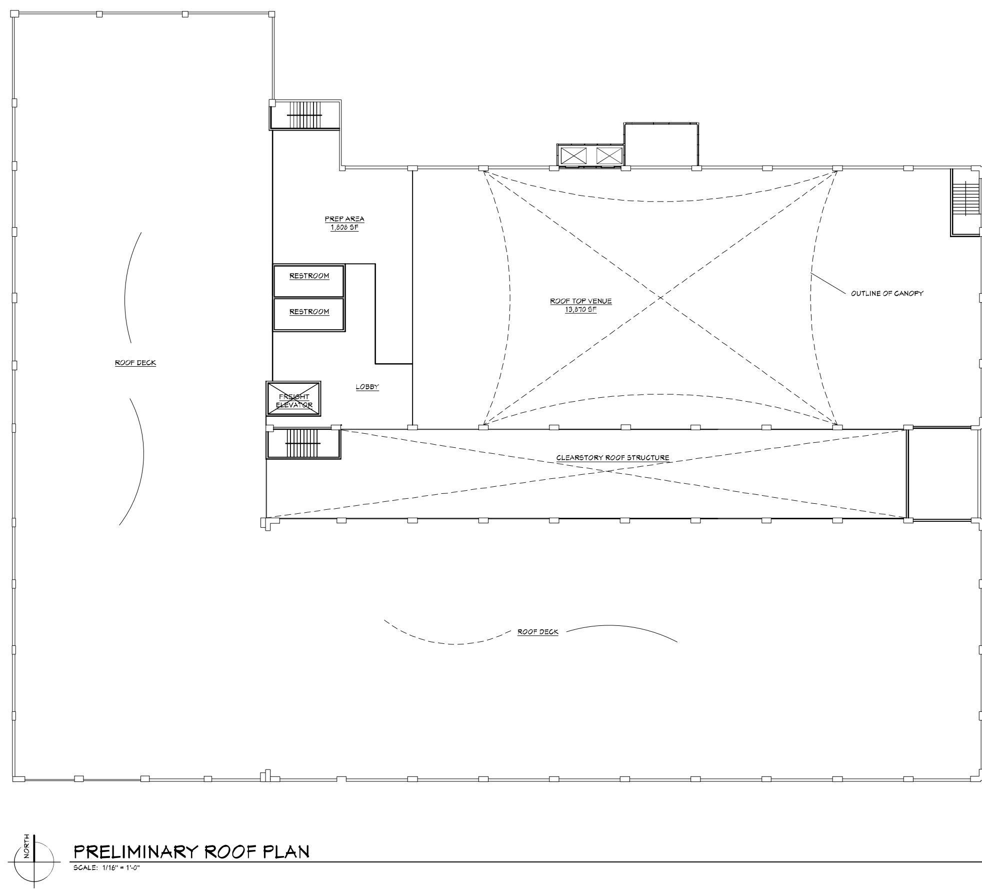
LEVEL UP @ WATERMARK

MUSKEGON, MICHIGAN

PROJECT #	0284-14
ISSUANCES	
OWNER REVIEW	02.11.2014
OWNER REVIEW	03.12.2014
REVISIONS	
REVIEW COMMENTS	05.01.2015
DRAWN BY	KYL

SHEET TITLE
PRELIMINARY FIFTH FLOOR PLAN

SHEET NO.
A1.05



PRELIMINARY ROOF PLAN

SCALE: 1/16" = 1'-0"

CONCEPT DESIGN STUDIO, INC.
500 E. ELLIS ROAD, SUITE 508
NORTON SHORES, MI 49441
PH. (231) 799-4838
FAX (231) 799-4837

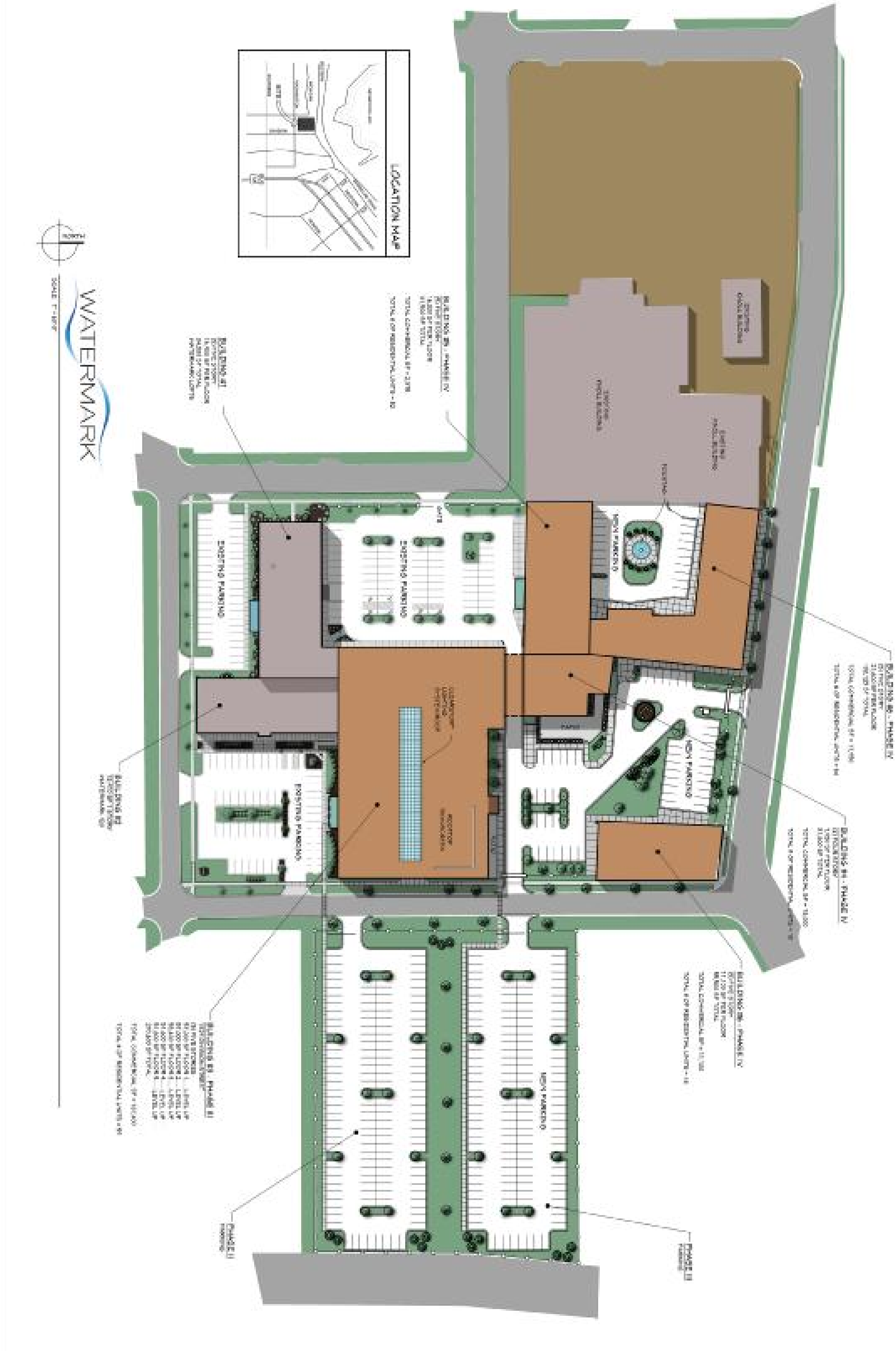
CDS
CONCEPT DESIGN STUDIO, INC.

SCHEMATIC DESIGN FOR

LEVEL UP @ WATERMARK

MUSKEGON, MICHIGAN

PROJECT #	0284-14
ISSUANCES	
OWNER REVIEW	02.11.2014
OWNER REVIEW	03.12.2014
REVISIONS	
REVIEW COMMENTS	05.01.2015
DRAWN BY	KYL
SHEET TITLE	PRELIMINARY ROOF PLAN
SHEET NO.	A1.06



2014 FUTURE PLAN FOR

WATERMARK - MASTER PLAN

MUSKEGON, MI

CONCEPT DESIGN STUDIO, INC.
500 E. ELLIS ROAD, SUITE 503
NORTON SHORES, MI 49441
PH. (231) 799-4030
FAX (231) 799-4857

PROJECT # 0325.14

SHEET TITLE: MASTER PLAN

SHEET NO. C1.00

ATTACHMENT U-3

TAX INCREMENT FINANCING TABLE
P&G HOLDINGS NY, LLC REDEVELOPMENT PROJECT

920 Washington Redevelopment Project
TIF Schedule

Real Property Improvements [1]														
			NEZ Period for Residential											
		OPRA Period for Commercial												
	2016	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
Base Residential TV (2016)	$184,915	$184,915	$184,915	$184,915	$184,915	$184,915	$184,915	$184,915	$184,915	$184,915	$184,915	$184,915	$184,915	$184,915
Base Commercial TV (2016)	$797,863	$797,863	$797,863	$797,863	$797,863	$797,863	$797,863	$797,863	$797,863	$797,863	$797,863	$797,863	$797,863	$797,863
Residential TV after Improvement[2]	$184,915	$184,915	$2,765,467	$2,793,121	$2,821,053	$2,849,263	$2,877,756	$2,906,533	$2,935,599	$2,964,955	$2,994,604	$3,024,550	$3,054,796	$3,085,344
Commercial TV after Improvement[2]	$797,863	$797,863	$4,056,443	$4,097,007	$4,137,977	$4,179,357	$4,221,151	$4,263,362	$4,305,996	$4,349,056	$4,392,546	$4,436,472	$4,480,837	$4,525,645
Total Captured Residential Taxable	$0	$0	$2,580,551	$2,608,206	$2,636,137	$2,664,348	$2,692,840	$2,721,618	$2,750,683	$2,780,039	$2,809,689	$2,839,635	$2,869,880	$2,900,428
Total Captured Commercial Taxable	$0	$0	$3,258,580	$3,299,145	$3,340,115	$3,381,494	$3,423,288	$3,465,500	$3,508,133	$3,551,193	$3,594,684	$3,638,609	$3,682,974	$3,727,782
Millages[3]														
City Operating	10.0869	10.0869	10.0869	10.0869	10.0869	10.0869	10.0869	10.0869	10.0869	10.0869	10.0869	10.0869	10.0869	10.0869
County Operating	5.6984	5.6984	5.6984	5.6984	5.6984	5.6984	5.6984	5.6984	5.6984	5.6984	5.6984	5.6984	5.6984	5.6984
City Sanitation	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000
County Museum	0.3221	0.3221	0.3221	0.3221	0.3221	0.3221	0.3221	0.3221	0.3221	0.3221	0.3221	0.3221	0.3221	0.3221
County Veterans	0.0752	0.0752	0.0752	0.0752	0.0752	0.0752	0.0752	0.0752	0.0752	0.0752	0.0752	0.0752	0.0752	0.0752
County Qual Life	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400
Central Dispatch	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
Comm College	2.2037	2.2037	2.2037	2.2037	2.2037	2.2037	2.2037	2.2037	2.2037	2.2037	2.2037	2.2037	2.2037	2.2037
MAISD	4.7580	4.7580	4.7580	4.7580	4.7580	4.7580	4.7580	4.7580	4.7580	4.7580	4.7580	4.7580	4.7580	4.7580
Hackley Library	2.4000	2.4000	2.4000	2.4000	2.4000	2.4000	2.4000	2.4000	2.4000	2.4000	2.4000	2.4000	2.4000	2.4000
State Education Tax (SET)	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000
School Operating	18.0000	18.0000	18.0000	18.0000	18.0000	18.0000	18.0000	18.0000	18.0000	18.0000	18.0000	18.0000	18.0000	18.0000
TOTAL CAPTURED MILLAGE	53.0843	53.0843	53.0843	53.0843	53.0843	53.0843	53.0843	53.0843	53.0843	53.0843	53.0843	53.0843	53.0843	53.0843
Yearly Captured Tax														
City Operating	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$37,602
County Operating	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$21,242
City Sanitation	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$11,183
County Museum	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1,201
County Veterans	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$280
County Qual Life	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$895
Central Dispatch	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1,118
Comm College	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$8,215
MAISD	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$17,737
Hackley Library	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$8,947
State Education Tax (SET)	$0	$0	$9,776	$9,897	$10,020	$10,144	$10,270	$20,793	$21,049	$21,307	$21,568	$21,832	$22,098	$22,367
School Operating	$0	$0	$29,327	$29,692	$30,061	$30,433	$30,810	$62,379	$63,146	$63,921	$64,704	$65,495	$66,294	$67,100
Local Captured Taxes	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$108,420
State Captured Taxes	$0	$0	$39,103	$39,590	$40,081	$40,578	$41,079	$83,172	$84,195	$85,229	$86,272	$87,327	$88,391	$89,467
Total Yearly Captured Taxes	$0	$0	$39,103	$39,590	$40,081	$40,578	$41,079	$83,172	$84,195	$85,229	$86,272	$87,327	$88,391	$197,887
Cumulative Captured Taxes	$0	$0	$39,103	$78,693	$118,774	$159,352	$200,431	$283,603	$367,799	$453,027	$539,300	$626,626	$715,018	$912,904
State Brownfield Fund Capture (3 mill)	$0	$0	($9,776)	($9,897)	($10,020)	($10,144)	($10,270)	($10,396)	($10,524)	($10,654)	($10,784)	($10,916)	($11,049)	($11,183)
Revolving Fund Capture	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Eligible Activities	$9,258,750	$9,258,750	$9,258,750	$9,229,423	$9,199,730	$9,169,669	$9,139,236	$9,108,426	$9,035,651	$8,961,980	$8,887,405	$8,811,917	$8,735,506	$8,658,163
State Tax Reimbursement	$0	$0	$29,327	$29,692	$30,061	$30,433	$30,810	$72,775	$73,671	$74,575	$75,488	$76,411	$77,342	$78,283
Local Tax Reimbursement	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$108,420
Unreimbursed Eligible Activities	$9,258,750	$9,258,750	$9,229,423	$9,199,730	$9,169,669	$9,139,236	$9,108,426	$9,035,651	$8,961,980	$8,887,405	$8,811,917	$8,735,506	$8,658,163	$8,471,460
Total Project Reimbursement	$0	$0	$29,327	$59,020	$89,081	$119,514	$150,324	$223,099	$296,770	$371,345	$446,833	$523,244	$600,587	$787,290

(1) Land increment will be captured but TIF projections only show Improvements capture due to NEZ and OPRA abatements and for ease of reference.

(2) Assumes taxable value increases based on proposed build out, plus 1% annual increases for inflation thereafter

(3) Assumes Millage Rates remain constant

Local Millage Ratio	52.3%	**$3,944,314**	Local Reimbursement
State Millage Ratio	47.7%	**$3,592,909**	State Reimbursement
		$7,537,223	**Total Eligible Activities**

920 Washington Redevelopment Project
TIF Schedule

Real Property Improvements (1)

	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Base Residential TV (2016)	$184,915	$184,915	$184,915	$184,915	$184,915	$184,915	$184,915	$184,915	$184,915	$184,915	$184,915	$184,915	$184,915	$184,915	$184,915
Base Commercial TV (2016)	$797,863	$797,863	$797,863	$797,863	$797,863	$797,863	$797,863	$797,863	$797,863	$797,863	$797,863	$797,863	$797,863	$797,863	$797,863
Residential TV after Improvement(2)	$3,116,197	$3,147,359	$3,178,833	$3,210,621	$3,242,727	$3,275,154	$3,307,906	$3,340,985	$3,374,395	$3,408,139	$3,442,220	$3,476,642	$3,511,409	$3,546,523	$3,581,988
Commercial TV after Improvement(2)	$4,570,901	$4,616,610	$4,662,777	$4,709,404	$4,756,498	$4,804,063	$4,852,104	$4,900,625	$4,949,631	$4,999,128	$5,049,119	$5,099,610	$5,150,606	$5,202,112	$5,254,133
Total Captured Residential Taxable	$2,931,282	$2,962,444	$2,993,917	$3,025,706	$3,057,812	$3,090,239	$3,122,991	$3,156,070	$3,189,480	$3,223,224	$3,257,305	$3,291,727	$3,326,494	$3,361,608	$3,397,073
Total Captured Commercial Taxable	$3,773,039	$3,818,748	$3,864,914	$3,911,542	$3,958,636	$4,006,201	$4,054,241	$4,102,762	$4,151,769	$4,201,265	$4,251,256	$4,301,747	$4,352,743	$4,404,249	$4,456,271
Millages(3)															
City Operating	10.0869	10.0869	10.0869	10.0869	10.0869	10.0869	10.0869	10.0869	10.0869	10.0869	10.0869	10.0869	10.0869	10.0869	10.0869
County Operating	5.6984	5.6984	5.6984	5.6984	5.6984	5.6984	5.6984	5.6984	5.6984	5.6984	5.6984	5.6984	5.6984	5.6984	5.6984
City Sanitation	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000
County Museum	0.3221	0.3221	0.3221	0.3221	0.3221	0.3221	0.3221	0.3221	0.3221	0.3221	0.3221	0.3221	0.3221	0.3221	0.3221
County Veterans	0.0752	0.0752	0.0752	0.0752	0.0752	0.0752	0.0752	0.0752	0.0752	0.0752	0.0752	0.0752	0.0752	0.0752	0.0752
County Qual Life	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400
Central Dispatch	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
Comm College	2.2037	2.2037	2.2037	2.2037	2.2037	2.2037	2.2037	2.2037	2.2037	2.2037	2.2037	2.2037	2.2037	2.2037	2.2037
MAISD	4.7580	4.7580	4.7580	4.7580	4.7580	4.7580	4.7580	4.7580	4.7580	4.7580	4.7580	4.7580	4.7580	4.7580	4.7580
Hackley Library	2.4000	2.4000	2.4000	2.4000	2.4000	2.4000	2.4000	2.4000	2.4000	2.4000	2.4000	2.4000	2.4000	2.4000	2.4000
State Education Tax (SET)	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000
School Operating	18.0000	18.0000	18.0000	18.0000	18.0000	18.0000	18.0000	18.0000	18.0000	18.0000	18.0000	18.0000	18.0000	18.0000	18.0000
TOTAL CAPTURED MILLAGE	53.0843	53.0843	53.0843	53.0843	53.0843	53.0843	53.0843	53.0843	53.0843	53.0843	53.0843	53.0843	53.0843	53.0843	53.0843
Yearly Captured Tax															
City Operating	$56,538	$60,931	$65,409	$69,975	$70,774	$71,581	$72,396	$73,219	$74,050	$74,890	$75,738	$76,595	$77,460	$78,333	$79,216
County Operating	$31,940	$34,422	$36,952	$39,531	$39,983	$40,438	$40,899	$41,364	$41,833	$42,308	$42,787	$43,271	$43,759	$44,253	$44,751
City Sanitation	$20,113	$20,344	$20,576	$20,812	$21,049	$21,289	$21,532	$21,776	$22,024	$22,273	$22,526	$22,780	$23,038	$23,298	$23,560
County Museum	$2,159	$2,184	$2,209	$2,234	$2,260	$2,286	$2,312	$2,338	$2,365	$2,391	$2,419	$2,446	$2,473	$2,501	$2,530
County Veterans	$504	$510	$516	$522	$528	$534	$540	$546	$552	$558	$565	$571	$577	$584	$591
County Qual Life	$1,609	$1,627	$1,646	$1,665	$1,684	$1,703	$1,723	$1,742	$1,762	$1,782	$1,802	$1,822	$1,843	$1,864	$1,885
Central Dispatch	$2,011	$2,034	$2,058	$2,081	$2,105	$2,129	$2,153	$2,178	$2,202	$2,227	$2,253	$2,278	$2,304	$2,330	$2,356
Comm College	$14,774	$14,944	$15,115	$15,288	$15,462	$15,638	$15,816	$15,996	$16,178	$16,361	$16,547	$16,734	$16,923	$17,114	$17,306
MAISD	$31,899	$32,265	$32,634	$33,007	$33,384	$33,765	$34,149	$34,538	$34,930	$35,326	$35,726	$36,130	$36,538	$36,950	$37,366
Hackley Library	$16,090	$16,275	$16,461	$16,649	$16,839	$17,031	$17,225	$17,421	$17,619	$17,819	$18,021	$18,224	$18,430	$18,638	$18,848
State Education Tax (SET)	$40,226	$40,687	$41,153	$41,623	$42,099	$42,579	$43,063	$43,553	$44,047	$44,547	$45,051	$45,561	$46,075	$46,595	$47,120
School Operating	$120,678	$122,061	$123,459	$124,870	$126,296	$127,736	$129,190	$130,659	$132,142	$133,641	$135,154	$136,683	$138,226	$139,785	$141,360
Local Captured Taxes	$177,639	$185,535	$193,577	$201,765	$204,068	$206,395	$208,745	$211,118	$213,515	$215,936	$218,381	$220,851	$223,345	$225,865	$228,409
State Captured Taxes	$160,904	$162,749	$164,612	$166,494	$168,395	$170,315	$172,254	$174,212	$176,190	$178,188	$180,205	$182,243	$184,302	$186,381	$188,480
Total Yearly Captured Taxes	$338,542	$348,284	$358,189	$368,259	$372,463	$376,710	$380,998	$385,330	$389,705	$394,124	$398,587	$403,094	$407,647	$412,245	$416,889
Cumulative Captured Taxes	$1,251,447	$1,599,731	$1,957,920	$2,326,179	$2,698,642	$3,075,351	$3,456,350	$3,841,680	$4,231,385	$4,625,508	$5,024,095	$5,427,189	$5,834,836	$6,247,081	$6,663,971
State Brownfield Fund Capture (3 mill)	($20,113)	($20,344)	($20,576)	($20,812)	($21,049)	($21,289)	($21,532)	($21,776)	($22,024)	($22,273)	($22,526)	($22,780)	($23,038)	$0	$0
Revolving Fund Capture	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Eligible Activities	$8,471,460	$8,153,031	$7,825,090	$7,487,478	$7,140,031	$6,788,617	$6,433,197	$6,073,730	$5,710,176	$5,342,495	$4,970,645	$4,594,584	$4,214,270	$3,829,661	$3,417,416
State Tax Reimbursement	$140,791	$142,405	$144,035	$145,682	$147,345	$149,025	$150,722	$152,435	$154,166	$155,914	$157,680	$159,463	$161,264	$186,381	$188,480
Local Tax Reimbursement	$177,639	$185,535	$193,577	$201,765	$204,068	$206,395	$208,745	$211,118	$213,515	$215,936	$218,381	$220,851	$223,345	$225,865	$228,409
Unreimbursed Eligible Activities	$8,153,031	$7,825,090	$7,487,478	$7,140,031	$6,788,617	$6,433,197	$6,073,730	$5,710,176	$5,342,495	$4,970,645	$4,594,584	$4,214,270	$3,829,661	$3,417,416	$3,000,526
Total Project Reimbursement	$1,105,719	$1,433,660	$1,771,272	$2,118,719	$2,470,133	$2,825,553	$3,185,020	$3,548,574	$3,916,255	$4,288,105	$4,664,166	$5,044,480	$5,429,089	$5,841,334	$6,258,224

(1) Land increment will be captured but TIF projections only show Improvements capture due to NEZ and OPRA abatements and for ease of reference.

(2) Assumes taxable value increases based on proposed build out, plus 1% annual increases for inflation thereafter

(3) Assumes Millage Rates remain constant

Real Property Improvements [(1)]

	2045	2046	2047		
Base Residential TV (2016)	$184,915	$184,915	$184,915		
Base Commercial TV (2016)	$797,863	$797,863	$797,863		
Residential TV after Improvement[(2)]	$3,617,808	$3,653,986	$3,690,526		
Commercial TV after Improvement[(2)]	$5,306,675	$5,359,741	$5,413,339		
Total Captured Residential Taxable	$3,432,893	$3,469,071	$3,505,611		
Total Captured Commercial Taxable	$4,508,812	$4,561,879	$4,615,476		
Millages[(3)]					
City Operating	10.0869	10.0869	10.0869		
County Operating	5.6984	5.6984	5.6984		
City Sanitation	3.0000	3.0000	3.0000		
County Museum	0.3221	0.3221	0.3221		
County Veterans	0.0752	0.0752	0.0752		
County Qual Life	0.2400	0.2400	0.2400		
Central Dispatch	0.3000	0.3000	0.3000		
Comm College	2.2037	2.2037	2.2037		
MAISD	4.7580	4.7580	4.7580		
Hackley Library	2.4000	2.4000	2.4000		
State Education Tax (SET)	6.0000	6.0000	6.0000		
School Operating	18.0000	18.0000	18.0000		
TOTAL CAPTURED MILLAGE	53.0843	53.0843	53.0843		
Yearly Captured Tax					
City Operating	$80,107	$81,007	$81,917		
County Operating	$45,255	$45,764	$46,277		
City Sanitation	$23,825	$24,093	$24,363		
County Museum	$2,558	$2,587	$2,616		
County Veterans	$597	$604	$611		
County Qual Life	$1,906	$1,927	$1,949		
Central Dispatch	$2,383	$2,409	$2,436		
Comm College	$17,501	$17,698	$17,896		
MAISD	$37,787	$38,211	$38,640		
Hackley Library	$19,060	$19,274	$19,491		
State Education Tax (SET)	$47,650	$48,186	$48,727		
School Operating	$142,951	$144,557	$146,180		
Local Captured Taxes	$230,979	$233,575	$236,196		
State Captured Taxes	$190,601	$192,743	$194,906		
Total Yearly Captured Taxes	$421,580	$426,317	$431,102		
Cumulative Captured Taxes	$7,085,551	$7,511,868	$7,942,970	**Totals**	
State Brownfield Fund Capture (3 mill)	$0	$0	$0	**$405,747**	
Revolving Fund Capture	$0	$0	$0	**$0**	
Eligible Activities	$3,000,526	$2,578,947	$2,152,629		
State Tax Reimbursement	$190,601	$192,743	$194,906	**$3,592,909**	**State**
Local Tax Reimbursement	$230,979	$233,575	$236,196	**$3,944,314**	**Local**
Unreimbursed Eligible Activities	$2,578,947	$2,152,629	$1,721,527	**$7,537,223**	
Total Project Reimbursement	$6,679,803	$7,106,121	$7,537,223	**$7,537,223**	**Total Reimbursement**

(1) Land increment will be captured but TIF projections only show Improvements capture due to NEZ and OPRA abatements and for ease of reference.

(2) Assumes taxable value increases based on proposed build out, plus 1% annual increases for inflation thereafter

(3) Assumes Millage Rates remain constant

ATTACHMENT U-4

FACILITY CONFIRMATION
P&G HOLDINGS NY, LLC REDEVELOPMENT PROJECT

Baseline Environmental Assessment Conducted Pursuant to Section 20126(1)(c) of 1994 PA 451, Part 201, as Amended, and the Rules Promulgated Thereunder for the Property at 930/960 Washington Avenue Muskegon, Michigan Parcel #61-24-205-467-0001-00 (new Tax ID to be provided at later date)

Prepared for:

Watermark Property Management Association, Inc.
930 Washington Avenue
Muskegon, MI 49440

Prepared by:

Earth Tech, Inc.
5555 Glenwood Hills Parkway SE
Suite 200-300
Grand Rapids, MI 49512

December 23, 2004

Earth Tech Project Number 82257

Michael G. Wolf, PG, CPG
Senior Hydrogeologist

Education

MS, Hydrogeology, Western Michigan University, Kalamazoo, 1989
MS, Geophysics, Northern Illinois University, Dekalb, 1977
BA, Geology and Physics, Augustana College, Rock Island, Illinois, 1975

Professional Licenses

Professional Geologist, Texas, #5569, 2003
Professional Geologist/Hydrogeologist, Washington, #2096, 2002
Professional Geologist, Illinois, #196-000262, 1997
Professional Geologist, Minnesota, #30711, 1999
Professional Geologist, Indiana, #1854, 1997
Professional Geologist, #AIPG, 9791, 1996
Professional Geologist, Wisconsin, #440, 1995

Experience Summary

As a senior project hydrogeologist with Earth Tech, Mr. Wolf proposes, designs, implements, and supervises geologic, hydrogeologic and geophysical investigations, aids in remediation design, interprets collected data, and prepares documentary reports. Mr. Wolf also serves as a project manager and project team member on multidisciplinary projects for our clients.

Mr. Wolf has designed, coordinated, and supervised a variety of field programs associated with hydrogeological investigations and remediation design including soil boring and monitoring well construction, aquifer tests, soil vapor collection, and air sparging and soil vapor extraction design. As part of his investigative and remedial design experience, he has applied, or is knowledgeable about, innovative drilling and remediation technologies. He has used an applied approach to numerical and analytical groundwater models, including contaminant transport, to evaluate groundwater capture systems for remedial action plans. His project experience includes sites involving the release of petroleum products, chlorinated solvents, brines, coal tar, PCBs, metals, cyanide, and various volatile and semi-volatile organic compounds.

Prior to joining Earth Tech, Mr. Wolf worked as a senior geophysicist with a national oil company and as a consultant in the Gulf Coast and in Indonesia. This work was primarily in seismic and well log interpretation, but also included computer-based geologic modeling, evaluation of acreage for hydrocarbon potential, and drilling location proposals.

Project Experience

Dwelling Place of Grand Rapids, Inc., Environmental Support for Brownfield Development, Grand Rapids, Michigan. Performed a Phase I environmental site assessment (ESA), baseline environmental assessment (BEA), and Section 7a compliance analysis (due care plan) as part of a brownfields redevelopment program. The project involved coordination with the architects, the city's community development department, MDEQ, and the state funding agency (MSHDA). The project was on a fast-track timetable since options to purchase the properties were limited. [2003-2004]

Shaw Walker/Lakeview Industrial Center, Remedial Investigation/Amended Remedial Action Plan, Muskegon, Michigan. Amended previously approved remedial action plan (RAP) from commercial/industrial use to residential using interim response to meet design criteria (IRDC) under newly promulgated rules for Part 201. This was the first IRDC in Michigan. The IRDC was subsequently modified as demolition and construction of the existing buildings was performed. [2003-2004]

Kingsley Landfill, Kingsley, Michigan. Defined the extent of an old landfill and outlying dump areas using electromagnetic geophysical methods. GPS was used to map the locations of the identified areas. [2002]

Abandoned Excavation, Howell, Michigan. Defined the extent of a former excavation using ground penetrating radar. The definition of the former excavation was necessary to perform verification soil sampling. [2002]

Railyard Remedial Investigation/Remedial Action Plan, Wyoming, Michigan. Interpreted soil and groundwater data collected during the RI phase at the site. The data were used to develop an analytical model for groundwater and free product capture. [1994 - 2000]

Railyard Free Product Investigation, Traverse City, Michigan. Estimated the extent of product-impacted soil and sediment downgradient of a railyard and metal processing facility using UV fluorescence. Based on the investigation, soil and sediment were excavated from areas adjacent to, and within Boardman Lake. [1995 - 2000]

Grand Trunk Western, Free Product Modeling, Battle Creek, Port Huron and Pontiac Yards, Michigan. Conducted modeling using Spillvol to estimate the volume of mobile and residual product at the two railyards. Hydrocarbon fingerprinting and grain size analysis were used to provide site specific parameters as model inputs. Assisted in the design of the installed bioslurp systems and subsequent evaluation. [1997 - present]

CPC, Inc. and Cordova Chemical, Inc., Evaluation of Soil Impact, CERCLA Site, North Muskegon, Michigan. Planned and coordinated the resampling of known areas of previously impacted soil to statistically evaluate the need for soil remediation, using risk-based Michigan regulations. The sampling indicated no remediation was required, potentially saving the clients millions of dollars in remediation costs compared with US EPA's planned activities. [1996]

CPC, Inc., Remedial Investigation, CERCLA Site, North Muskegon, Michigan. Senior geologist responsible for planning, coordination and implementation of soil and groundwater sampling at a former landfill. Evaluated data using a risk-based approach and it was concluded that no groundwater remediation was necessary. The EPA and MDEQ agreed that no groundwater remediation was necessary, and only limited soil remediation would be required. One-dimensional contaminant transport analysis was used to determine the locations of downgradient wells. [1996]

US Forest Service, Hydrogeologic Investigation, Five Former Landfills, Nicolet National Forest, Wisconsin. Investigated five former landfills to determine if previous activities each site impacted soil and groundwater. Developed a soil and groundwater investigation to efficiently analyze the sites and meet the USFS goals and objectives. Sufficient cost savings were realized on the first four investigations that a fifth site was added for the budgeted cost of the original four. [1995 - 1996]

Remedial Investigation for Former MGP Site, Muskegon, Michigan. Lead geologist in an extensive project for the owner of a former manufactured gas plant site. The investigation was complex due to the nature and extent of contamination, the proximity to a downtown commercial district and a surface water body, and property ownership issues. The project required remedial investigation, risk assessment, feasibility study, and a treatability study. [1994 - 1997]

Abitibi-Price, Inc., Hydrogeologic Investigation, Alpena, Michigan. Assisted in developing and implementing a comprehensive hydrogeologic investigation at a wood products manufacturing facility. Interpreted and evaluated collected data. As a result of the study, 2,300 cubic yards of impacted soil were excavated and removed from the site. Delineated impact, prepared a remedial action work plan, and made disposal arrangements with a licensed Type II landfill. Provided excavation oversight and verification soil sampling. Prepared a remedial activities report. [1989 - 1992]

Abitibi-Price, Inc., Hydrogeologic Investigation, Roaring River, North Carolina. Senior project hydrogeologist for design and implementation of a hydrogeologic investigation for this wood products manufacturing facility site, which was complicated by several inactive waste disposal areas and required a hydrogeological investigation, site-specific risk assessment, and a feasibility study of innovative on-site remediation. [1989-1992]

Hydrogeologic and Remedial Investigation at Wurtsmith AFB, Michigan. Senior project geologist for hydrogeologic and remedial investigations at four separate areas. Designed and implemented a Petrex soil gas survey through the aircraft parking aprons, and defined the full vertical and horizontal definition of hydrocarbon impact related to each of the source areas. [1992 - 1994]

BASF Corporation, Hydrogeologic Investigation, Mebane, North Carolina. Reviewed soil and groundwater data and interpreted the information to prepare a comprehensive hydrogeologic report on the site. Based on the data interpretation, an investigation strategy was prepared to define the extent of contamination and provide additional information for evaluating the remediation system.

Commercial Client, Hydrogeologic Investigation, Reidsville, North Carolina. Reviewed and interpreted soil and groundwater data collected at the site. Based on supplemental data collected from the site, identified an off-site source. Prepared a report, which was submitted to the state based on the interpretation.

Duo Tang, Inc., Remedial Investigations for Chlorinated Compounds, Paw Paw, Michigan. Senior geologist responsible for remedial investigations at the site to determine the extent of chlorinated solvent plume. The interpretation of data was complicated by adjacent sources and complicated geology. One of the objectives was to identify the adjacent sources to prove to the state agency that Duo Tang was not the only source. A second consultant was hired by the state to confirm Earth Tech's conclusions. Based on Earth Tech's work, the state has assigned responsibility of the contamination to other parties.

US Navy, Naval Facilities Engineering Command, Pacific Division, Engineering Evaluation/Cost Analyses (EE/CA), Guam. Senior geologist on project team to evaluate remedial options and costs at a plating facility in Guam under the Navy Comprehensive Long-Term Environmental Action Navy (CLEAN) program. Summarized past investigations, provided geologic interpretation, and prepared reports.

Shaw Walker/Lakeview Industrial Center, Remedial Investigation/Remedial Action Plan, Muskegon, Michigan. Senior geologist responsible for remedial investigations at the site and the development of a Remedial Action Plan (RAP). After many amendments to the original RAP, the RAP was approved by the state. This RAP was one of only several approved by the Grand Rapids district in 2000. [1994-2000]

Lend Lease, Remedial Action Plan, Eastpointe, Michigan. Developed a remedial action plan for the site that did not rely on active remediation for closure. The groundwater pathway was eliminated by demonstrating that the shallow saturated zones were not an aquifer. The state approved the RAP. [1999-2000]

Former MGP Site, Ann Arbor, Michigan. Prepared Interim Remedial Action Plan (IRAP) for a former MGP site. Accelerated remediation of the property was necessary since construction was beginning on the site and the property was no longer owned by the client. A combination of excavation, deed restrictions and risk evaluation was used.

CSX, Train Derailment Site, Zaleski, Ohio. Developed a method of characteristics model that was used to simulate the transport of methylene chloride from a derailment site to a nearby river. The model predicted that no degradation of the surface water would be observed. The state concurred with the conclusions and the remediation focused on the groundwater in the source area. The site has subsequently been remediated and closed. [1990]

OSHA Training

OSHA 40-hour Hazardous Waste Operations Training, 1989
OSHA 8-hour Hazardous Waste Operations Annual Refresher Training, 2004
OSHA 8-hour Hazardous Waste Operations Site Supervisor Training, 1998

Professional Memberships

National Groundwater Association
American Association of Petroleum Geologists
American Institute of Professional Geologists

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APPENDICES

1.0 AUTHOR AND DATE OF COMPLETION

Earth Tech, Inc. (Earth Tech) has prepared this Baseline Environmental Assessment (BEA) for the property located at 930/960 Washington Avenue, Muskegon, Michigan (**Figures 1 and 2**). The BEA was prepared to meet the requirements of Section 20126(l)(c) of Part 201 of the Michigan Natural Resources and Environmental Protection Act, Act 451 of 1994, as amended and Part 9 of the Part 201 Administrative Rules. This BEA has been prepared following the "Instructions for Preparing and Disclosing Baseline Environmental Assessments and Section 7a Compliance Analysis to the Michigan Department of Environmental Quality and for Requesting Optional Determinations (Effective Date: March 11, 1999)".

Earth Tech performed recent soil sampling at the Subject Property during March, April and October 2004. Previous soil and groundwater sampling was conducted at the Subject Property during various investigations from 1989 through 2000. The person with primary responsibility for the data assembly, interpretation, and technical conclusions of this BEA is Mike Wolf, CPG, with technical review provided by Glenn Hendrix, CHMM, both of Earth Tech. This BEA was conducted on December 9, 2004, and completed on December 23, 2004.

2.0 INTRODUCTION

Earth Tech performed this BEA for Watermark Property Management Association, Inc., (the Association) as the prospective operator of the Common Elements of the Watermark Condominium located at 930/960 Washington Avenue, Muskegon, Michigan (Subject Property) (see **Figure 1**). The condominium premises are a portion of several parcels of property formerly owned and operated by the Shaw-Walker Company, 1321 Division Street, Muskegon, Michigan. As a result of the discovery of contamination arising from past operations of the Shaw-Walker Company, the Subject Property has been determined to be a "facility", as defined by Part 201 of the Natural Resources and Environmental Protection Act (NREPA), PA 451, as amended. The buildings and associated property at 930/960 Washington Avenue, Muskegon, Michigan, are currently owned by P&G Holdings NY, LLC of Brooklyn, New York (P&G or the Developer), pending formation of the Watermark Condominium by recording the Master Deed with the Muskegon County Register of Deeds. A Category N BEA, dated January 11, 2002, was prepared for P&G by Williams & Beck, Inc. of Rockford, Michigan, and disclosed to the MDEQ in July of 2002 (BEA Disclosure No. B2002010704GR). Pursuant to the Master Deed to be recorded for the condominium project (see **Appendix A**) each owner of a condominium unit has the exclusive right to occupy his unit and an undivided and inseparable right to share with other Co-owners the use and enjoyment of the general Common Elements (see Master Deed, Article IV). The Association will have operational authority for maintenance of the Common Elements, including the land surface and subsurface described in **Appendix B** (including walkways, parking lots and landscaped areas), and interior common areas such as entrances, exits, hallways, and recreational facilities (excluding the condominium units themselves). The "Common Elements" of the condominium project are defined in the Article V of the Master Deed.

The Subject Property is currently composed of a Phase I and Phase II section (see **Figures 2 and 3**). The Phase I section contains two parking lots and a building that has an indoor parking garage and available commercial/retail space on the first floor, with residential condominiums on the second through fifth floors (see **Figure 3**). The Phase II section is contiguous to the Phase I section, and contains a parking lot and a one story building that will be converted to commercial/retail space (see **Figure 3**). The Condominium Master Deed and Bylaws (including the Condominium Site Plan) are presented in **Appendix A**.

A combination Limited Industrial, Commercial and Residential Remedial Action Plan (RAP) was submitted for the former Shaw Walker facility (Facility) to the Michigan Department of Environmental Quality (MDEQ) by Earth Tech on behalf of Lakeview Industrial Center, Inc. (Lakeview) on December 16, 1998, with amendments dated November 12, 1999, April 25, 2000, June 30, 2000 and August 10, 2000. The MDEQ approved the RAP on November 14, 2000. Pursuant to the RAP, the existing floors of the buildings located on the Facility are annually inspected and maintained, and certain portions of the Facility were restricted to commercial and industrial use.

Subsequent to the purchase of a portion of the Facility by P&G Holdings in 2001 (**Figure 2**), an Interim Response to Meet Design Criteria (IRDC) Plan was prepared and approved by the Michigan Department of Environmental Quality (MDEQ) on December 16, 2003. P&G subsequently implemented the IRDC, under the supervision of the MDEQ, and obtained a Certificate of Construction from the MDEQ on November 24, 2004, indicating that the interim response activities have been fully constructed in accordance with the terms of the IRDC. Subject to certain property use restrictions (discussed in later sections of this report), the facility has been approved by the MDEQ for commercial and residential use.

2.1 PAST USE

The Subject Property was previously used for furniture manufacturing. From 1903 through the 1920's, the facility produced wood products. Metal furniture production was initiated in the late 1920's. Prior to its use as a manufacturing site, the area was used by railroad and coal companies. The portion of the building included in this BEA (see **Figure 2**) was historically used for maintenance, assembly and shipping. In addition, the former oil house, located in the parking lot north of the building, was used for waste oil and hazardous materials storage. The portion of the building included in this BEA has been vacant since the mid 1990's, except for a brief period (under previous ownership) when the first floor of the vacant building was leased for recreational paint ball operations.

2.2 INTENDED USE

The Subject Property is being developed as a commercial/residential condominium project, known as the Watermark Condominium. The condominium project will contain individual units to be used for residential and commercial purposes. Neither the residential or commercial use of the

Subject Property will involve use of "significant quantities" of hazardous substances, as defined by Part 201 and its administrative rules. **Appendix A** includes a copy of the Condominium Master Deed, which prohibits all condominium Co-owners from use, handling, storage, or management of hazardous substances, other than those used in a typical residential or office setting (see Exhibit F to the Master Deed).

2.3 IDENTIFICATION OF BEA CATEGORY

This BEA is submitted as a Category N BEA, since there will be no "significant hazardous substance use" at the Subject Property, either by the Association or future condominium Co-owners and occupants.

3.0 PROPERTY DESCRIPTION AND INTENDED HAZARDOUS SUBSTANCE USE

3.1 PROPERTY DESCRIPTION

The Subject Property is located at 930/960 Washington Avenue, Muskegon, Muskegon County, Michigan. Tax parcel identification numbers for the BEA parcel have not been determined yet, but will be assigned when the Watermark Condominium is formed. The Subject Property is currently a portion of Tax Parcel No. 61-24-205-467-0001-00. The legal description and survey showing the boundary of the Subject Property are presented in **Appendix B**.

The Phase I building on the Subject Property occupies approximately 84,000 square feet which includes 5,000 square feet of commercial/retail space; 7,200 square feet of indoor parking; and 71,800 square feet of residential and Common Elements (see **Figure 3**). The first floor consists of parking, commercial/retail and Common Elements (maintenance rooms, hallways, entrance/exit areas, etc.). The second floor has six one-bedroom units, four two-bedroom units, and one three-bedroom unit. The third through fifth floors each have eight one-bedroom units, five two-bedroom units, and one three-bedroom unit. The Site Condominium Plan (attached to Master Deed as Exhibit B) details the layout of each floor of Phase I.
The five-story building (Phase I) is constructed of brick and concrete with a flat roof. There is a concrete foundation with a first floor walk-out basement. The interior floor of the building is finished with carpeting, wood, floor tiles and concrete (first floor parking and commercial area). The walls are constructed of brick and drywall and the ceiling consists of concrete and suspended tiles. An elevator is present and serves all floors.

Exterior Common Elements include the private roadway, parking areas, common walkways, landscaped areas (lawns, trees, shrubs, etc.), and other improvements. Interior Common Elements include maintenance and equipment rooms, storage facilities, lobbies, hallways, foundations, roofs, perimeter and interior walls, attic spaces, etc. The Association will operate and maintain these Common Elements.

The attached one-story building (approximately 10,800 square feet; "Phase II") is constructed of brick, cement block, and concrete, with a flat roof. The building currently consists of one large room that was previously used as a shipping dock. The floor is composed of wood blocks and concrete, and the walls are brick and cement block. This portion of the Subject Property will eventually be developed for commercial/retail use, as a part of the Watermark Condominium.

The portions of the Subject Property located north, south and east of the buildings consist of asphalt parking areas. The north parking lot is also part of the institutional control included in the IRDC Plan. The Association will be responsible for the periodic inspection and maintenance of the institutional control.

Residences are located to the south of the Subject Property across Washington Avenue and to the west across Hudson Street (see **Figure 2**). A leather stamping facility is located on the corner of Hudson and Michigan, west of the north parking lot. A vacant, five-story industrial building is located to the north and east, adjacent to the north parking lot. A former loading dock, connected to the vacant industrial building, is present east of the east parking lot. The vacant building is owned by P&G Holdings and is part of the future expansion of the Watermark Center.

As noted above, the Association has significant operation and maintenance responsibilities for interior and exterior building components, and the grounds surrounding buildings, including parking lots and landscaping. For this reason, the description of the property subject to the BEA includes all of the property located within the boundaries of Phase I and Phase II. A survey of the Subject Property is included in **Appendix B**. Features of the Subject Property and adjoining properties are illustrated on **Figures 2 and 3**.

3.2 PHOTOGRAPHS DEPICTING IMPORTANT FEATURES

Site photographs depicting the Subject Property are provided in **Appendix C**.

3.3 PREVIOUSLY SUBMITTED BEAS

Two BEAs have previously been submitted that include the Subject Property. BEA Disclosure No. B99-00553-GR was prepared by Westshore Environmental, Inc. in June 1999 for Mellowood Development Company, LLC. Williams & Beck, Inc. prepared BEA Disclosure No. B02-01074-GR for P&G Holdings in January 2002.

3.4 INTENDED HAZARDOUS SUBSTANCE USE

The Association will not use any "significant" quantities of hazardous substances in its operation and maintenance of the Common Elements of the Subject Property, as defined by Part 201 and the associated administrative rules. The condominium project will contain individual units to be used for residential and commercial purposes. Neither the residential or commercial use of the Subject Property will involve "significant quantities" of hazardous substances, as defined by Part 201 and its administrative rules. **Appendix A** of this report includes a copy of the Condominium Master Deed, which prohibits all condominium Co-owners from use, handling, storage, or management of hazardous substances, other than those used in a typical residential or office setting (see Exhibit F to Master Deed). Because no significant hazardous substance use will occur at the Subject Property, a Category N BEA has been prepared.

4.0 KNOWN CONTAMINATION

The Subject Property is a "facility" based upon a number of prior investigations, which found that hazardous substances are present at the Subject Property in concentrations exceeding the Part 201 generic cleanup criteria, described further below. For the purpose of assessing site contamination and preparing this BEA, Earth Tech:

- Reviewed maps and historical information.
- Performed a reconnaissance of the Subject Property and surrounding properties.
- Conducted water and soil sampling.

4.1 HAZARDOUS SUBSTANCES KNOWN TO HAVE BEEN RELEASED

Numerous consulting firms have investigated the Subject Property and adjacent P&G Holdings properties since 1989. Historic sampling includes soil and groundwater sampling for metals, volatile organic compounds (VOCs) and polynuclear aromatic hydrocarbons (PNAs). Historic sampling locations are shown in **Figure 3**, and the analytical soil data are summarized in **Tables 1 and 2**. Groundwater data are summarized in **Table 3**.

Earth Tech subsequently collected soil data from the Subject Property during 2003-2004 as part of the IRDC investigation. These sample locations are shown on **Figure 3**, and the data are summarized on **Tables 4 and 5**.

Historic soil samples exceeded groundwater/surface water interface (GSI) protection criteria and/or residential direct contact criteria for one or more of the Michigan 10 Metals (arsenic, barium, cadmium, chromium, copper, lead, mercury, selenium, silver and zinc). One or more of the polynuclear aromatic hydrocarbons (PNAs) exceeded the residential drinking water protection criteria, GSI protection criteria and/or residential direct contact criteria. Historic soil samples also exceeded the residential drinking water protection criteria and/or the GSI protection criteria for several of the volatile organic compounds (VOCs). The most recent sampling in 2004 demonstrated the exceedance of GSI protection criteria for several of the PNAs and zinc, and the exceedance of residential direct contact criterion for benzo(a)pyrene in soil sample SB-04-08 (**Table 5**).

Historic groundwater samples from the subject property have exceeded the drinking water and GSI criteria for Michigan 10 metals and VOCs, while PNAs were found to exceed the GSI criteria.

Table 6 provides a summary of the names, CAS numbers, and concentrations of hazardous substances known to exceed Part 201 generic residential criteria in soil and groundwater at the Subject Property.

Because these parameters have been detected at concentrations exceeding Part 201 generic cleanup criteria, the Subject Property is a "facility" as defined under 324.20101(l)(l) of Part 201 of Act 451 of 1994.

4.2 DISCARDED OR ABANDONED CONTAINERS

There are no known discarded or abandoned aboveground storage tanks (ASTs), underground storage tanks (USTs), barrels, containers, or other receptacles containing hazardous substances present on the Subject Property.

4.3 GENERAL LOCATION OF KNOWN CONTAMINATION

Based upon historic soil sampling, soil movement activities (under the MDEQ-approved IRDC), and recent soil sampling of portions of the Subject Property, all of the known Part 201 soil exceedances are located beneath the north parking lot, in the vicinity of the former oil house. As a result of the residential direct contact exceedances, the 2003 IRDC stipulates that the north parking lot is to remain capped as an engineered barrier. The Association will be responsible for the ongoing inspection and maintenance of this barrier.

Groundwater beneath the Subject Property exceeds the Part 201 residential criteria; however, groundwater use is restricted pursuant to the Muskegon Groundwater Use Ordinance and restrictive covenants recorded with the title to the Subject Property pursuant to the RAP and IRDC. The Subject Property and surrounding properties are provided with municipal water services.

5.0 LIKELIHOOD OF OTHER CONTAMINATION

It is unlikely that additional contamination is present, based on the numerous investigations that have been conducted on the Subject Property, the RAP-related investigations of the former Shaw Walker Facility, and the investigations associated with the 2003 IRDC for the P&G Holdings property. All areas of concern identified in the Shaw Walker RAP and the P&G IRDC have been characterized through prior investigations.

No abandoned or discarded aboveground storage tanks, barrels, containers, other receptacles, or surface impoundments that contain hazardous substances are present on the Subject Property. No USTs are known to be present at the Subject Property.

6.0 CONCLUSIONS

This BEA was prepared to meet Category N BEA requirements specified in the MDEQ's *Instructions for Preparing and Disclosing Baseline Environmental Assessments and Section 7a Compliance Analyses to the Michigan Department of Environmental Quality and for Requesting Optional Determinations*, dated 11 March 1999. Earth Tech performed this BEA for Watermark Property Management Association, Inc. as a prospective operator of the Common Elements of the Watermark Condominium to be developed at the Subject Property. Neither the Association or future individual condominium Co-owner operations will include "significant hazardous substance use", as defined by Part 201 and its associated administrative rules.

The Subject Property at 930/960 Washington Avenue, Muskegon, Michigan is a "facility" based on the exceedances of Part 201 generic criteria, as described in Section 4.0 of this report. This BEA is intended to provide the Association with an exemption from Part 201 liability for undertaking response activities related to both known and potential additional existing contamination at the Subject Property.

The means of distinguishing existing contamination from potential future releases will be through restricted hazardous substance use (i.e., there will be no "significant hazardous substance use" at the Subject Property as defined by Part 201 and its associated administrative rules); thus, all contamination is attributed to conditions that existed before the time of the Association's occupancy.

7.0 REFERENCES

Baseline Environmental Assessment for the Property at 1321 Division Street, Williams & Beck, Inc., January 11, 2002.

Instructions for Preparing and Disclosing Baseline Environmental Assessments and Section 7a Compliance Analyses, MDEQ, March 11, 1999

Interim Response to Meet Design Criteria Plan, Earth Tech, Inc., August 27, 2003.

Part 9 of the Part 201 Administrative Rules, December 21, 2002.

Site Investigation Report and Remedial Action Plan, Earth Tech, Inc., December 1998, as amended.

TABLES

Qualifiers
Watermark Condominium
Muskegon, Michigan

All Criteria used are from Administrative Rules for Part 201, Environmental Remediation, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, dated December 21, 2002.

Code	Qualifier Definition
NOTE	Bold values indicate an exceedence of the detection limit.
Soil Tables 1, 2, 4 and 5	
Note	Shaded values indicate exceedences of State-wide Background Soil Criteria.
Note	Boxed values indicate exceedences of Residential Drinking Water Protection Criteria.
Note	Italicized values indicate exceedences of Groundwater Surface Water Interface Protection Criteria.
Note	Double Boxed values indicate exceedences of Industrial Direct Contract Criteria.
Note	Underlined values indicate exceedences of Residential Direct Contract Criteria.
Groundwater Table 3	
Note	Shaded values indicate exceedences of Residential Drinking Water Criteria.
Note	Boxed values indicate exceedences of Industrial Drinking Water Criteria.
Note	Italicized values indicate exceedences of Groundwater Surface Water Interface Criteria.
B	Compound was detected in the QC blank.
MD	Matrix spike duplicate fell outside the laboratory established control limits.
MI	Detection limit elevated due to matrix interference.
MS	Matrix spike sample value outside established acceptable limits.
S	Unable to separate Benzo(b)fluoranthene and Benzo(k)fluoranthene; total calculated as Benzo(b)fluoranthene.
SS	Surrogate spike results below lower control limit. Positive results must be considered estimated. ND results are approximate.
TS	Duplicate sampling of 2 sample jars gave results of 0.17 mg/kg and 0.54 mg/kg. The overall average is reported as 0.36
(B)	Background, as defined in Rule 299.5701©, may be substituted if higher than the cleanup criterion.
(C)	Value presented is a screening level based on the chemical-specific generic soil saturation concentration (Csat). Concentrations greater than Csat are acceptable cleanup criteria for this pathway where a site-specific demonstration indicates that freee-phase contaminant is not present.
(D)	Calculated criterion exceeds 100%, hence it is reduced 100%. Evaluation of free phase contaminant, environmental impacts, adverse aesthetics and acute or local toxicity is required.
(F)	Criterion is based on adverse impacts to plant life.
(G)	Groundwater surface water interface (GSI) criterion depends on the pH or water hardness, or both, of the receiving surface water. A hardness of 176 mg/L has been assumed.
(H)	Valence-specific chromium data (Cr II and Cr VI) must be compared to the corresponding valence-specific cleanup criteria. If analytical data are provided for "total" chromium only, then values for Cr VI must be applied as the cleanup criteria. Cr III cleanup criterion for protection of drinking water can only be used at sites where groundwater is prevented from being used as a public water supply, currently and in the future.
(I)	Chemical may exhibit the characteristic of ignitability as defined in 40 CFR 261.21.
(J)	Chemical may be present in several isomer forms. Isomer-specific concentrations must be added together for comparison to criteria.
(K)	Criterion is based on flammability and/or explosivity potential.
(L)	Higher groundwater concentrations (up to 15 ug/L) may be acceptable if the soil concentration is less than 400 ppm and groundwater migrating off-site will not result in unacceptable exposures.
(M)	Calculated criterion is below the analytical method detection limit (MDL), therefore, the criterion defaults to the MDL.
(P)	Criterion is based on the EPA action level releasable cyanide. Higher total cyanide concentrations may be acceptable if analytical data are provided to demonstrate that levels of releasable cyanide do not exceed 2.5E+5 ug/kg.
(Q)	Criteria for carcinogenic polycyclic aromatic hydrocarbons were developed using "relative potential potencies" to
(R)	Chemical may exhibit the characteristic of reactivity as defined in 40 CFR 261.23.
(S)	Criterion is based on the chemical-specific water solubility limit.
(V)	Criterion is the aesthetic drinking water value (secondary maximum contaminant level), as required by Sec. 20120(1)(5). Higher concentrations (up to 200 ug/L) may be acceptable on a case-by-case basis.
(W)	Concentrations of trihalomethanes in groundwater must be added together to determine compliance with the State of Michigan Drinking Water Standard of 100 ug/L. Concentrations of trihalomethanes in soil must be added together to determine compliance with the drinking water protection criterion of 2,000 ug/kg.
(Y)	Source size modifiers for Soil Inhalation Criteria (SIC) for Ambient Air.
(Z)	Groundwater concentrations at or less than the health-based drinking water criterion are likely to have adverse odors. An aesthetic drinking water criterion is in process. The soil health-based drinking water protection criterion may also not be protective of adverse aesthetic impacts. Adverse odors in groundwater and soil values protective of these effects must be addressed qualitatively until an aesthetic criterion is finalized.
*	Criteria for Benzo(b)fluoranthene used for Benzo(b and/or k)fluoranthene on Criteria listings.

Qualifiers
Watermark Condominium
Muskegon, Michigan

ID	Insufficient Data to calculate criteria.
IP	Development of generic GSI value in process but not yet complete.
NA	Criterion or value is not available, for is the case for Csat, not applicable.
NLL	Criterion is not likely to leach under most soil conditions.
NLV	Chemical is not likely to volatilize under most conditions.

Table 3
Summary of Groundwater Analytical Data
Watermark Condominium
Muskegon, Michigan
(Units as Given)

Site Identification:		MW-6S	MW-6S	MW-6S	MW-6S	MW-7D	MW-7D	MW-7D
Sample Identification:		D414-01	D414-02	D890-06	E171274	D414-05	D890-09	E127335
Date Sampled:		9/15/1993	9/20/1993	10/27/1993	5/29/1997	9/20/1993	10/27/1993	9/14/1995
Sampled By:		Abonmarche	Abonmarche	Abonmarche	ETCO	Abonmarche	Abonmarche	ETCO
Analyzed By:		TRACE	TRACE	TRACE	TriMatrix	TRACE	TRACE	ETCO
Comments:		-	-	-	-	-	-	-
Depth:		9 - 11	-	-	-	-	-	-
Metals	***Units***							
Arsenic, total	ug/L	-	-	-	-	-	-	-
Arsenic, dissolved	ug/L	-	< 1	< 1	-	**3**	**4**	**7.3**
Barium, total	ug/L	-	-	-	-	-	-	-
Barium, dissolved	ug/L	-	< 200	< 200	-	-	-	**100**
Cadmium, total	ug/L	-	-	-	-	-	-	-
Cadmium, dissolved	ug/L	-	< 0.2	**0.8**	-	-	-	< 0.2
Chromium , total	ug/L	-	-	-	-	-	-	-
Chromium, dissolved	ug/L	-	**2**	< 1	-	-	-	< 50
Copper, total	ug/L	-	-	-	-	-	-	-
Copper, dissolved	ug/L	-	< 25	< 25	-	-	-	< 10
Cyanide(R)	ug/L	-	-	-	-	-	-	-
Cyanide, total (R)	ug/L	-	-	-	-	-	-	-
Iron, dissolved	ug/L	-	-	-	-	-	-	-
Lead, total	ug/L	-	-	-	-	-	-	-
Lead, dissolved	ug/L	-	**6**	< 3	-	-	-	< 1
Mercury, total	ug/L	-	-	-	-	-	-	-
Mercury, dissolved	ug/L	-	< 0.2	< 0.2	-	-	-	< 0.2
Nickel, total	ug/L	-	-	-	-	-	-	-
Nickel, dissolved	ug/L	-	< 50	< 50	-	-	-	-
Phosphorus, dissolved	ug/L	-	-	-	-	-	-	-
Selenium, total	ug/L	-	-	-	-	-	-	-
Selenium, dissolved	ug/L	-	< 5	< 5	-	-	-	< 2
Silver, total	ug/L	-	-	-	-	-	-	-
Silver, dissolved	ug/L	-	< 0.5	< 0.5	-	-	-	< 0.2
Zinc, total	ug/L	-	-	-	-	-	-	-
Zinc, dissolved	ug/L	-	< 20	**30**	-	-	-	**27**
VOC's	***Units***							
Acetone	ug/L	-	-	-	-	-	-	-
Benzene	ug/L	-	< 1	< 1	-	< 1	< 1	< 1
Dichlorobromomethane	ug/L	-	< 1	< 1	-	< 1	< 1	< 1
Benzoic acid	ug/L	-	-	-	-	-	-	< 50
Benzyl alcohol	ug/L	-	-	-	-	-	-	< 50
Bis(2-chloroethoxy)methane	ug/L	-	-	-	-	-	-	< 5
Bis(2-chloroethyl)ether	ug/L	-	-	-	-	-	-	< 5
Bis(2-chloroisopropyl)ether	ug/L	-	-	-	-	-	-	< 5
Bis(2-ethyl hexyl)phthalate	ug/L	-	-	-	-	-	-	< 5
Bromobenzene	ug/L	-	-	-	-	-	-	< 1
Bromochloromethane	ug/L	-	-	-	-	-	-	< 1
4-Bromodiphenyl ether	ug/L	-	-	-	-	-	-	< 5
Bromoform	ug/L	-	< 1	< 1	-	< 1	< 1	< 1
Bromomethane	ug/L	-	< 1	< 1	-	< 1	< 1	< 1
2-Butanone	ug/L	-	-	-	-	-	-	-

Table 3
Summary of Groundwater Analytical Data
Watermark Condominium
Muskegon, Michigan
(Units as Given)

Site Identification:		MW-6S	MW-6S	MW-6S	MW-6S	MW-7D	MW-7D	MW-7D
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Date Sampled:		9/15/1993	9/20/1993	10/27/1993	5/29/1997	9/20/1993	10/27/1993	9/14/1995
Sampled By:		Abonmarche	Abonmarche	Abonmarche	ETCO	Abonmarche	Abonmarche	ETCO
Analyzed By:		TRACE	TRACE	TRACE	TriMatrix	TRACE	TRACE	ETCO
Comments:		-	-	-	-	-	-	-
Depth:		9 - 11	-	-	-	-	-	-
VOC's, Continued	***Units***							
Butylbenzene, normal	ug/L	-	-	-	-	-	-	< 1
Butylbenzene, secondary	ug/L	-	-	-	-	-	-	< 1
Butylbenzene, tertiary	ug/L	-	-	-	-	-	-	< 1
Butyl benzyl phthalate	ug/L	-	-	-	-	-	-	< 5
Carbon disulfide(R)	ug/L	-	-	-	-	-	-	-
Carbon tetrachloride	ug/L	-	< 1	< 1	-	< 1	< 1	< 1
4-Chloroaniline	ug/L	-	-	-	-	-	-	< 20
Chlorobenzene	ug/L	-	< 1	< 1	-	< 1	< 1	< 1
p-Chloro-m-cresol	ug/L	-	-	-	-	-	-	< 5
4-Chlorodiphenyl ether	ug/L	-	-	-	-	-	-	< 5
2-Chloroethylvinyl ether	ug/L	-	< 1	< 1	-	< 1	< 1	-
Chloroethane	ug/L	-	< 1	< 1	-	< 1	< 1	< 1
Chloroform	ug/L	-	< 1	< 1	-	< 1	< 1	< 1
Chloromethane	ug/L	-	< 5	< 5	-	< 5	< 5	< 1
2-Chloronaphthalene	ug/L	-	-	-	-	-	-	< 5
2-Chlorophenol	ug/L	-	-	-	-	-	-	< 5
2-Chlorotoluene	ug/L	-	-	-	-	-	-	< 1
4-Chlorotoluene	ug/L	-	-	-	-	-	-	< 1
Dibenzofuran	ug/L	-	-	-	-	-	-	< 5
Dibromochloromethane	ug/L	-	< 1	< 1	-	< 1	< 1	< 1
1,2-Dibromo-3-chloropropane	ug/L	-	-	-	-	-	-	< 1
1,2-Dibromoethane	ug/L	-	-	-	-	-	-	< 10
Dibromomethane	ug/L	-	-	-	-	-	-	< 1
Di-n-butyl phthalate	ug/L	-	-	-	-	-	-	< 5
1,2-Dichlorobenzene	ug/L	-	< 1	< 1	-	< 1	< 1	< 1
1,3-Dichlorobenzene	ug/L	-	< 1	< 1	-	< 1	< 1	< 1
1,4-Dichlorobenzene	ug/L	-	< 1	< 1	-	< 1	< 1	< 1
3,3'-Dichlorobenzidine	ug/L	-	-	-	-	-	-	< 20
Dichlorodifluoromethane	ug/L	-	< 5	< 5	-	< 5	< 5	< 1
1,1-Dichloroethane	ug/L	-	< 1	< 1	-	< 1	< 1	< 1
1,2-Dichloroethane	ug/L	-	< 1	< 1	-	< 1	< 1	< 1
1,1-Dichloroethylene	ug/L	-	< 1	< 1	-	< 1	< 1	< 1
cis-1,2-Dichloroethylene	ug/L	-	-	-	< 1	-	-	< 1
trans-1,2-Dichloroethylene	ug/L	-	< 1	< 1	< 1	< 1	< 1	< 1
2,4-Dichlorophenol	ug/L	-	-	-	-	-	-	< 5
1,2-Dichloropropane	ug/L	-	< 1	< 1	-	< 1	< 1	< 1
1,3-Dichloropropane	ug/L	-	-	-	-	-	-	< 1
1,1-Dichloropropene	ug/L	-	-	-	-	-	-	< 1
1,3-Dichloropropene(J)	ug/L	-	-	-	-	-	-	-
2,2-Dichloropropane	ug/L	-	-	-	-	-	-	< 1
cis-1,3-Dichloropropene	ug/L	-	< 1	< 1	-	< 1	< 1	-
trans-1,3-Dichloropropene	ug/L	-	< 1	< 1	-	< 1	< 1	-
Diethyl phthalate	ug/L	-	-	-	-	-	-	< 5
Dimethyl phthalate	ug/L	-	-	-	-	-	-	< 5
2,4-Dimethylphenol	ug/L	-	-	-	-	-	-	< 5
4,6-Dinitro-o-cresol	ug/L	-	-	-	-	-	-	< 20
2,4-Dinitrophenol	ug/L	-	-	-	-	-	-	< 20
2,4-Dinitrotoluene	ug/L	-	-	-	-	-	-	< 5
2,6-Dinitrotoluene	ug/L	-	-	-	-	-	-	< 5
Di-n-octyl phthalate	ug/L	-	-	-	-	-	-	< 5
VOC's, Continued	***Units***							

Table 3
Summary of Groundwater Analytical Data
Watermark Condominium
Muskegon, Michigan
(Units as Given)

Site Identification:		MW-6S	MW-6S	MW-6S	MW-6S	MW-7D	MW-7D	MW-7D
Sample Identification:		D414-01	D414-02	D890-06	E171274	D414-05	D890-09	E127335
Date Sampled:		9/15/1993	9/20/1993	10/27/1993	5/29/1997	9/20/1993	10/27/1993	9/14/1995
Sampled By:		Abonmarche	Abonmarche	Abonmarche	ETCO	Abonmarche	Abonmarche	ETCO
Analyzed By:		TRACE	TRACE	TRACE	TriMatrix	TRACE	TRACE	ETCO
Comments:		-	-	-	-	-	-	-
Depth:		9 - 11	-	-	-	-	-	-
Ethylbenzene	ug/L	-	< 1	< 1	-	< 1	< 1	< 1
Hexachlorobenzene	ug/L	-	-	-	-	-	-	< 5
Hexachlorocyclopentadiene	ug/L	-	-	-	-	-	-	< 5
Hexachloroethane	ug/L	-	-	-	-	-	-	< 5
Hexachloro-1,3-butadiene	ug/L	-	-	-	-	-	-	< 5
2-Hexanone	ug/L	-	-	-	-	-	-	-
Isophorone	ug/L	-	-	-	-	-	-	< 5
Isopropyl benzene	ug/L	-	-	-	-	-	-	< 1
p-Isopropyl toluene	ug/L	-	-	-	-	-	-	< 1
Methylene chloride	ug/L	-	< 5	< 5	-	< 5	< 5	< 1
Methyl isobutyl ketone	ug/L	-	-	-	-	-	-	-
2-Methylnaphthalene	ug/L	-	-	-	-	-	-	< 5
2-Methylphenol	ug/L	-	-	-	-	-	-	< 5
4-Methylphenol	ug/L	-	-	-	-	-	-	< 5
2-Nitroaniline	ug/L	-	-	-	-	-	-	< 20
3-Nitroaniline	ug/L	-	-	-	-	-	-	< 20
4-Nitroaniline	ug/L	-	-	-	-	-	-	< 20
Nitrobenzene	ug/L	-	-	-	-	-	-	< 5
2-Nitrophenol	ug/L	-	-	-	-	-	-	< 5
4-Nitrophenol	ug/L	-	-	-	-	-	-	< 20
n-Nitrosodiphenylamine	ug/L	-	-	-	-	-	-	< 5
n-Nitrosodi-n-propylamine	ug/L	-	-	-	-	-	-	< 5
Pentachlorophenol	ug/L	-	-	-	-	-	-	< 20
Phenol	ug/L	-	-	-	-	-	-	< 5
Propylbenzene, normal	ug/L	-	-	-	-	-	-	< 1
Styrene	ug/L	-	-	-	-	-	-	< 1
1,1,1,2-Tetrachloroethane	ug/L	-	-	-	-	-	-	< 1
1,1,2,2-Tetrachloroethane	ug/L	-	< 1	< 1	-	< 1	< 1	< 1
Tetrachloroethylene	ug/L	-	5.6	16	19	< 1	< 1	< 1
1,2,3-Trichlorobenzene	ug/L	-	-	-	-	-	-	< 1
1,2,4-Trichlorobenzene	ug/L	-	-	-	-	-	-	< 1
1,1,1-Trichloroethane	ug/L	-	< 1	< 1	-	< 1	< 1	< 1
1,1,2-Trichloroethane	ug/L	-	< 1	< 1	-	< 1	< 1	< 1
Toluene	ug/L	-	< 1	< 1	-	< 1	< 1	< 1
Trichloroethylene	ug/L	-	< 1	< 1	< 1	< 1	< 1	< 1
Trichlorofluoromethane	ug/L	-	< 1	< 1	-	< 1	< 1	< 1
2,4,5-Trichlorophenol	ug/L	-	-	-	-	-	-	< 50
2,4,6-Trichlorophenol	ug/L	-	-	-	-	-	-	< 5
1,2,3-Trichloropropane	ug/L	-	-	-	-	-	-	< 1
1,2,4-Trimethylbenzene	ug/L	-	-	-	< 1	-	-	< 1
1,3,5-Trimethylbenzene	ug/L	-	-	-	-	-	-	< 1
Vinyl acetate	ug/L	-	-	-	-	-	-	-
Vinyl chloride	ug/L	-	< 1	< 1	< 1	< 1	< 1	< 1
m,p-Xylene	ug/L	-	-	-	-	-	-	< 2
o-Xylene	ug/L	-	-	-	-	-	-	< 1
Xylene, total	ug/L	-	< 1	< 1	-	< 1	< 1	-
PNA's	***Units***							
Acenaphthene	ug/L	-	< 5000	-	-	< 5000	-	< 5
Acenaphthylene	ug/L	-	< 5000	-	-	< 5000	-	< 5
PNA's, Continued	***Units***							
Anthracene	ug/L	-	< 5000	-	-	< 5000	-	< 5

Table 3
Summary of Groundwater Analytical Data
Watermark Condominium
Muskegon, Michigan
(Units as Given)

Site Identification:		MW-6S	MW-6S	MW-6S	MW-6S	MW-7D	MW-7D	MW-7D
Sample Identification:		D414-01	D414-02	D890-06	E171274	D414-05	D890-09	E127335
Date Sampled:		9/15/1993	9/20/1993	10/27/1993	5/29/1997	9/20/1993	10/27/1993	9/14/1995
Sampled By:		Abonmarche	Abonmarche	Abonmarche	ETCO	Abonmarche	Abonmarche	ETCO
Analyzed By:		TRACE	TRACE	TRACE	TriMatrix	TRACE	TRACE	ETCO
Comments:		-	-	-	-	-	-	-
Depth:		9 - 11	-	-	-	-	-	-
Benzo(a)anthracene(Q)	ug/L	-	< 5000	-	-	< 5000	-	< 5
Benzo(a)pyrene(Q)	ug/L	-	< 5000	-	-	< 5000	-	< 5
Benzo(b)fluoranthene(Q)	ug/L	-	< 5000	-	-	< 5000	-	-
Benzo(k)fluoranthene(Q)	ug/L	-	< 5000	-	-	< 5000	-	-
Benzo(b and/or k)fluoranthene	ug/L	-	-	-	-	-	-	< 5
Benzo(ghi)perylene	ug/L	-	< 5000	-	-	< 5000	-	< 5
Chrysene(Q)	ug/L	-	< 5000	-	-	< 5000	-	< 5
Dibenz(a,h)anthracene(Q)	ug/L	-	< 5000	-	-	< 5000	-	< 5
Fluoranthene	ug/L	-	< 5000	-	-	< 5000	-	< 5
Fluorene	ug/L	-	< 5000	-	-	< 5000	-	< 5
Indeno(1,2,3-cd)pyrene(Q)	ug/L	-	< 5000	-	-	< 5000	-	< 5
Naphthalene	ug/L	-	< 5000	< 5	-	< 5000	-	< 5
Phenanthrene	ug/L	-	< 5000	< 5	-	< 5000	-	< 5
Pyrene	ug/L	-	< 5000	< 5	-	< 5000	-	< 5

Table 3
Summary of Groundwater Analytical Data
Watermark Condominium
Muskegon, Michigan
(Units as Given)

Site Identification:		MW-7D	MW-7S	MW-7S	MW-7S	MW-7S
Sample Identification:		E171270	D414-04	D890-08	E127334	E171271
Date Sampled:		5/29/1997	9/20/1993	10/27/1993	9/14/1995	5/29/1997
Sampled By:		ETCO	Abonmarche	Abonmarche	ETCO	ETCO
Analyzed By:		TriMatrix	TRACE	TRACE	ETCO	TriMatrix
Comments:		-	-	-	-	-
Depth:		-	-	-	-	-
Metals	***Units***					
Arsenic, total	ug/L	-	-	-	-	-
Arsenic, dissolved	ug/L	-	< 1	< 1	< 1	-
Barium, total	ug/L	-	-	-	-	-
Barium, dissolved	ug/L	-	< 200	< 200	38	-
Cadmium, total	ug/L	-	-	-	-	-
Cadmium, dissolved	ug/L	-	< 0.2	< 0.2	< 0.2	-
Chromium , total	ug/L	-	-	-	-	-
Chromium, dissolved	ug/L	-	1	< 1	< 50	-
Copper, total	ug/L	-	-	-	-	-
Copper, dissolved	ug/L	-	< 25	< 25	< 10	-
Cyanide(R)	ug/L	-	-	-	-	-
Cyanide, total (R)	ug/L	-	-	-	-	-
Iron, dissolved	ug/L	-	-	-	-	-
Lead, total	ug/L	-	-	-	-	-
Lead, dissolved	ug/L	-	< 3	< 3	< 1	-
Mercury, total	ug/L	-	-	-	-	-
Mercury, dissolved	ug/L	-	< 0.2	< 0.2	< 0.2	-
Nickel, total	ug/L	-	-	-	-	-
Nickel, dissolved	ug/L	-	< 50	< 50	-	-
Phosphorus, dissolved	ug/L	-	-	-	-	-
Selenium, total	ug/L	-	-	-	-	-
Selenium, dissolved	ug/L	-	< 5	6	< 2	-
Silver, total	ug/L	-	-	-	-	-
Silver, dissolved	ug/L	-	< 0.5	< 0.5	< 0.2	-
Zinc, total	ug/L	-	-	-	-	-
Zinc, dissolved	ug/L	-	< 20	< 20	< 20	-
VOC's	***Units***					
Acetone	ug/L	-	-	-	-	-
Benzene	ug/L	-	< 1	< 1	< 1	-
Dichlorobromomethane	ug/L	-	< 1	< 1	< 1	-
Benzoic acid	ug/L	-	-	-	< 50	-
Benzyl alcohol	ug/L	-	-	-	< 50	-
Bis(2-chloroethoxy)methane	ug/L	-	-	-	< 5	-
Bis(2-chloroethyl)ether	ug/L	-	-	-	< 5	-
Bis(2-chloroisopropyl)ether	ug/L	-	-	-	< 5	-
Bis(2-ethyl hexyl)phthalate	ug/L	-	-	-	< 5	-
Bromobenzene	ug/L	-	-	-	< 1	-
Bromochloromethane	ug/L	-	-	-	< 1	-
4-Bromodiphenyl ether	ug/L	-	-	-	< 5	-
Bromoform	ug/L	-	< 1	< 1	< 1	-
Bromomethane	ug/L	-	< 1	< 1	< 1	-
2-Butanone	ug/L	-	-	-	-	-

Table 3
Summary of Groundwater Analytical Data
Watermark Condominium
Muskegon, Michigan
(Units as Given)

Site Identification:		MW-7D	MW-7S	MW-7S	MW-7S	MW-7S
Sample Identification:		E171270	D414-04	D890-08	E127334	E171271
Date Sampled:		5/29/1997	9/20/1993	10/27/1993	9/14/1995	5/29/1997
Sampled By:		ETCO	Abonmarche	Abonmarche	ETCO	ETCO
Analyzed By:		TriMatrix	TRACE	TRACE	ETCO	TriMatrix
Comments:		-	-	-	-	-
Depth:		-	-	-	-	-
VOC's, Continuted	*Units*					
Butylbenzene, normal	ug/L	-	-	-	< 1	-
Butylbenzene, secondary	ug/L	-	-	-	< 1	-
Butylbenzene, tertiary	ug/L	-	-	-	< 1	-
Butyl benzyl phthalate	ug/L	-	-	-	< 5	-
Carbon disulfide(R)	ug/L	-	-	-	-	-
Carbon tetrachloride	ug/L	-	< 1	< 1	< 1	-
4-Chloroaniline	ug/L	-	-	-	< 20	-
Chlorobenzene	ug/L	-	< 1	< 1	< 1	-
p-Chloro-m-cresol	ug/L	-	-	-	< 5	-
4-Chlorodiphenyl ether	ug/L	-	-	-	< 5	-
2-Chloroethylvinyl ether	ug/L	-	< 1	< 1	-	-
Chloroethane	ug/L	-	< 1	< 1	< 1	-
Chloroform	ug/L	-	< 1	< 1	< 1	-
Chloromethane	ug/L	-	< 5	< 5	< 1	-
2-Chloronaphthalene	ug/L	-	-	-	< 5	-
2-Chlorophenol	ug/L	-	-	-	< 5	-
2-Chlorotoluene	ug/L	-	-	-	< 1	-
4-Chlorotoluene	ug/L	-	-	-	< 1	-
Dibenzofuran	ug/L	-	-	-	< 5	-
Dibromochloromethane	ug/L	-	< 1	< 1	< 1	-
1,2-Dibromo-3-chloropropane	ug/L	-	-	-	< 1	-
1,2-Dibromoethane	ug/L	-	-	-	< 10	-
Dibromomethane	ug/L	-	-	-	< 1	-
Di-n-butyl phthalate	ug/L	-	-	-	< 5	-
1,2-Dichlorobenzene	ug/L	-	< 1	< 1	< 1	-
1,3-Dichlorobenzene	ug/L	-	< 1	< 1	< 1	-
1,4-Dichlorobenzene	ug/L	-	< 1	< 1	< 1	-
3,3'-Dichlorobenzidine	ug/L	-	-	-	< 20	-
Dichlorodifluoromethane	ug/L	-	< 5	< 5	< 1	-
1,1-Dichloroethane	ug/L	-	< 1	< 1	< 1	-
1,2-Dichloroethane	ug/L	-	< 1	< 1	< 1	-
1,1-Dichloroethylene	ug/L	-	< 1	< 1	< 1	-
cis-1,2-Dichloroethylene	ug/L	< 1	-	-	< 1	< 1
trans-1,2-Dichloroethylene	ug/L	< 1	< 1	< 1	< 1	< 1
2,4-Dichlorophenol	ug/L	-	-	-	< 5	-
1,2-Dichloropropane	ug/L	-	< 1	< 1	< 1	-
1,3-Dichloropropane	ug/L	-	-	-	< 1	-
1,1-Dichloropropene	ug/L	-	-	-	< 1	-
1,3-Dichloropropene(J)	ug/L	-	-	-	-	-
2,2-Dichloropropane	ug/L	-	-	-	< 1	-
cis-1,3-Dichloropropene	ug/L	-	< 1	< 1	-	-
trans-1,3-Dichloropropene	ug/L	-	< 1	< 1	-	-
Diethyl phthalate	ug/L	-	-	-	< 5	-
Dimethyl phthalate	ug/L	-	-	-	< 5	-
2,4-Dimethylphenol	ug/L	-	-	-	< 5	-
4,6-Dinitro-o-cresol	ug/L	-	-	-	< 20	-
2,4-Dinitrophenol	ug/L	-	-	-	< 20	-
2,4-Dinitrotoluene	ug/L	-	-	-	< 5	-
2,6-Dinitrotoluene	ug/L	-	-	-	< 5	-
Di-n-octyl phthalate	ug/L	-	-	-	< 5	-
VOC's, Continued	*Units*					

Table 3
Summary of Groundwater Analytical Data
Watermark Condominium
Muskegon, Michigan
(Units as Given)

Site Identification:		MW-7D	MW-7S	MW-7S	MW-7S	MW-7S
Sample Identification:		E171270	D414-04	D890-08	E127334	E171271
Date Sampled:		5/29/1997	9/20/1993	10/27/1993	9/14/1995	5/29/1997
Sampled By:		ETCO	Abonmarche	Abonmarche	ETCO	ETCO
Analyzed By:		TriMatrix	TRACE	TRACE	ETCO	TriMatrix
Comments:		-	-	-	-	-
Depth:		-	-	-	-	-
Ethylbenzene	ug/L	-	< 1	< 1	< 1	-
Hexachlorobenzene	ug/L	-	-	-	< 5	-
Hexachlorocyclopentadiene	ug/L	-	-	-	< 5	-
Hexachloroethane	ug/L	-	-	-	< 5	-
Hexachloro-1,3-butadiene	ug/L	-	-	-	< 5	-
2-Hexanone	ug/L	-	-	-	-	-
Isophorone	ug/L	-	-	-	< 5	-
Isopropyl benzene	ug/L	-	-	-	< 1	-
p-Isopropyl toluene	ug/L	-	-	-	< 1	-
Methylene chloride	ug/L	-	< 5	< 5	< 1	-
Methyl isobutyl ketone	ug/L	-	-	-	-	-
2-Methylnaphthalene	ug/L	-	-	-	< 5	-
2-Methylphenol	ug/L	-	-	-	< 5	-
4-Methylphenol	ug/L	-	-	-	< 5	-
2-Nitroaniline	ug/L	-	-	-	< 20	-
3-Nitroaniline	ug/L	-	-	-	< 20	-
4-Nitroaniline	ug/L	-	-	-	< 20	-
Nitrobenzene	ug/L	-	-	-	< 5	-
2-Nitrophenol	ug/L	-	-	-	< 5	-
4-Nitrophenol	ug/L	-	-	-	< 20	-
n-Nitrosodiphenylamine	ug/L	-	-	-	< 5	-
n-Nitrosodi-n-propylamine	ug/L	-	-	-	< 5	-
Pentachlorophenol	ug/L	-	-	-	< 20	-
Phenol	ug/L	-	-	-	< 5	-
Propylbenzene, normal	ug/L	-	-	-	< 1	-
Styrene	ug/L	-	-	-	< 1	-
1,1,1,2-Tetrachloroethane	ug/L	-	-	-	< 1	-
1,1,2,2-Tetrachloroethane	ug/L	-	< 1	< 1	< 1	-
Tetrachloroethylene	ug/L	< 1	14	41	4.3	23
1,2,3-Trichlorobenzene	ug/L	-	-	-	< 1	-
1,2,4-Trichlorobenzene	ug/L	-	-	-	< 1	-
1,1,1-Trichloroethane	ug/L	-	< 1	< 1	< 1	-
1,1,2-Trichloroethane	ug/L	-	< 1	< 1	< 1	-
Toluene	ug/L	-	< 1	< 1	< 1	-
Trichloroethylene	ug/L	< 1	< 1	< 1	< 1	< 1
Trichlorofluoromethane	ug/L	-	< 1	< 1	< 1	-
2,4,5-Trichlorophenol	ug/L	-	-	-	< 50	-
2,4,6-Trichlorophenol	ug/L	-	-	-	< 5	-
1,2,3-Trichloropropane	ug/L	-	-	-	< 1	-
1,2,4-Trimethylbenzene	ug/L	< 1	-	-	< 1	< 1
1,3,5-Trimethylbenzene	ug/L	-	-	-	< 1	-
Vinyl acetate	ug/L	-	-	-	-	-
Vinyl chloride	ug/L	< 1	< 1	< 1	< 1	< 1
m,p-Xylene	ug/L	-	-	-	< 2	-
o-Xylene	ug/L	-	-	-	< 1	-
Xylene, total	ug/L	-	< 1	< 1	-	-
PNA's	***Units***					
Acenaphthene	ug/L	-	< 5000	-	< 5	-
Acenaphthylene	ug/L	-	< 5000	-	< 5	-
PNA's, Continued	***Units***					
Anthracene	ug/L	-	< 5000	-	< 5	-

Table 3
Summary of Groundwater Analytical Data
Watermark Condominium
Muskegon, Michigan
(Units as Given)

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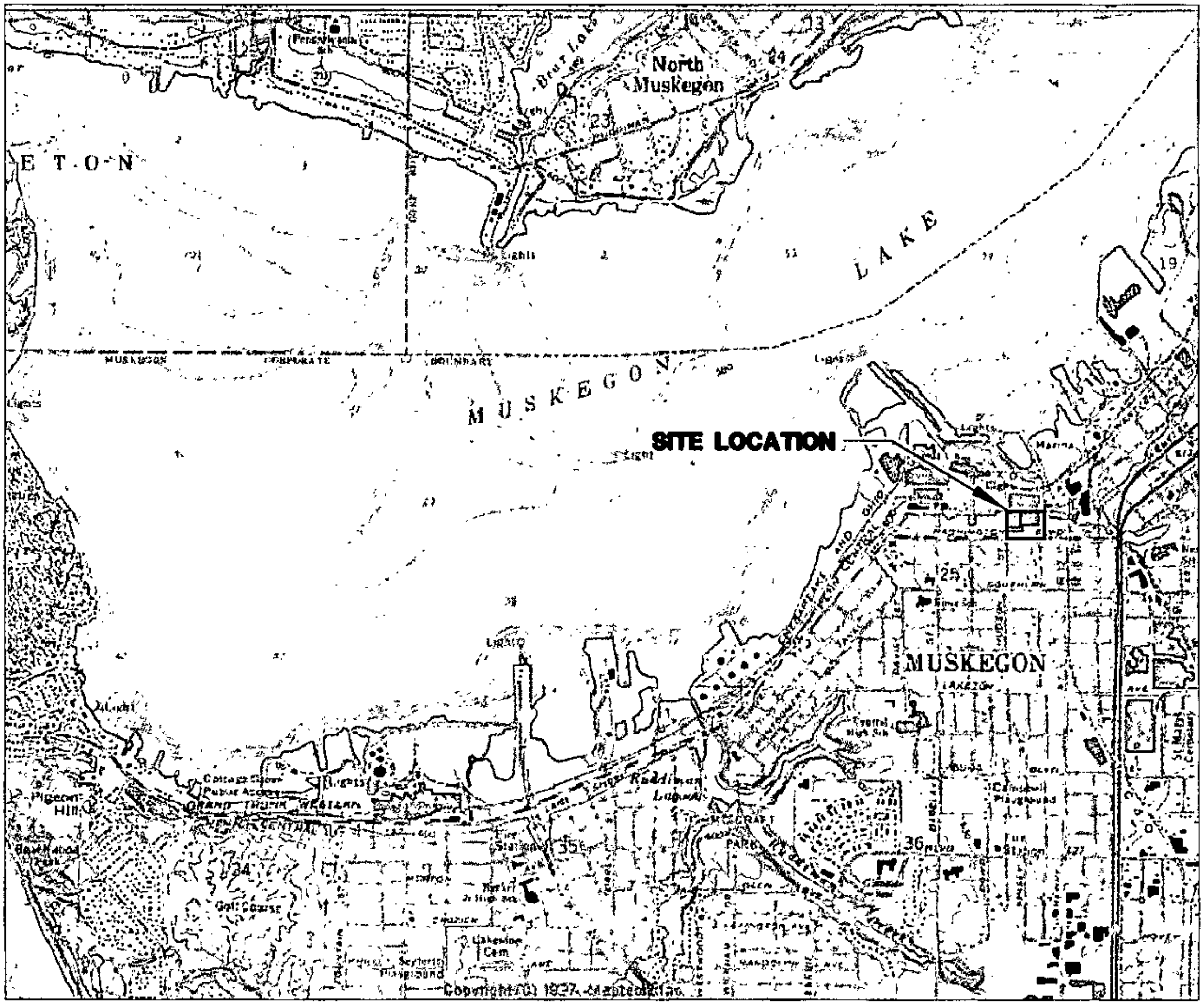
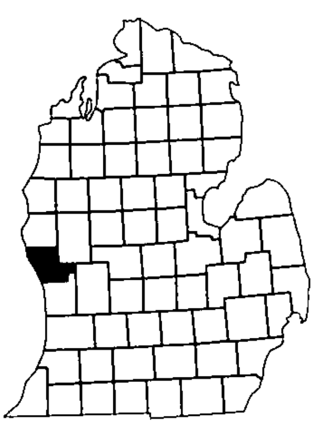
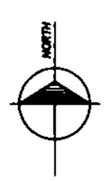
Sampled By:		ETCO	Abonmarche	Abonmarche	ETCO	ETCO
Analyzed By:		TriMatrix	TRACE	TRACE	ETCO	TriMatrix
Comments:		-	-	-	-	-
Depth:		-	-	-	-	-
Benzo(a)anthracene(Q)	ug/L	-	< 5000	-	< 5	-
Benzo(a)pyrene(Q)	ug/L	-	< 5000	-	< 5	-
Benzo(b)fluoranthene(Q)	ug/L	-	< 5000	-	-	-
Benzo(k)fluoranthene(Q)	ug/L	-	< 5000	-	-	-
Benzo(b and/or k)fluoranthene	ug/L	-	-	-	< 5	-
Benzo(ghi)perylene	ug/L	-	< 5000	-	< 5	-
Chrysene(Q)	ug/L	-	< 5000	-	< 5	-
Dibenz(a,h)anthracene(Q)	ug/L	-	< 5000	-	< 5	-
Fluoranthene	ug/L	-	< 5000	-	< 5	-
Fluorene	ug/L	-	< 5000	-	< 5	-
Indeno(1,2,3-cd)pyrene(Q)	ug/L	-	< 5000	-	< 5	-
Naphthalene	ug/L	-	< 5000	-	< 5	-
Phenanthrene	ug/L	-	< 5000	-	< 5	-
Pyrene	ug/L	-	< 5000	-	< 5	-

FIGURES







EarthTech

A Tyco International Ltd. Company

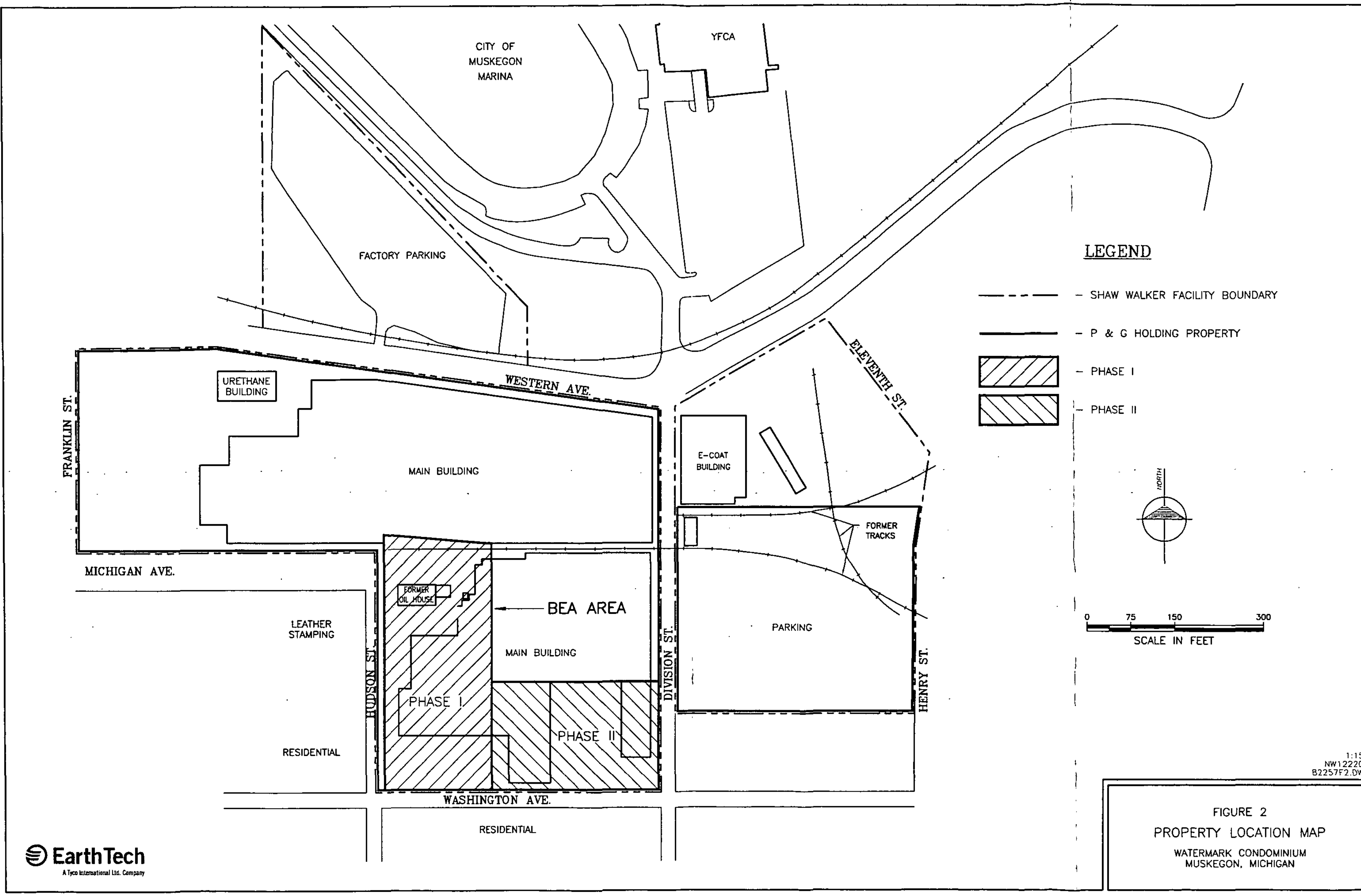
DRAWN BY: D. TANIS	DATE: DECEMBER, 2004
CHECKED BY: M.G.W.	EDITED BY: DCT122204
FILE NAME: 82257-SLM	

FIGURE 1

SITE LOCATION MAP

WATERMARK CONDOMINIUM
MUSKEGON, MICHIGAN

PROJECT NUMBER	82257	SCALE: NONE



1:150
NW122204
B2257F2.DWG

FIGURE 2
PROPERTY LOCATION MAP
WATERMARK CONDOMINIUM
MUSKEGON, MICHIGAN

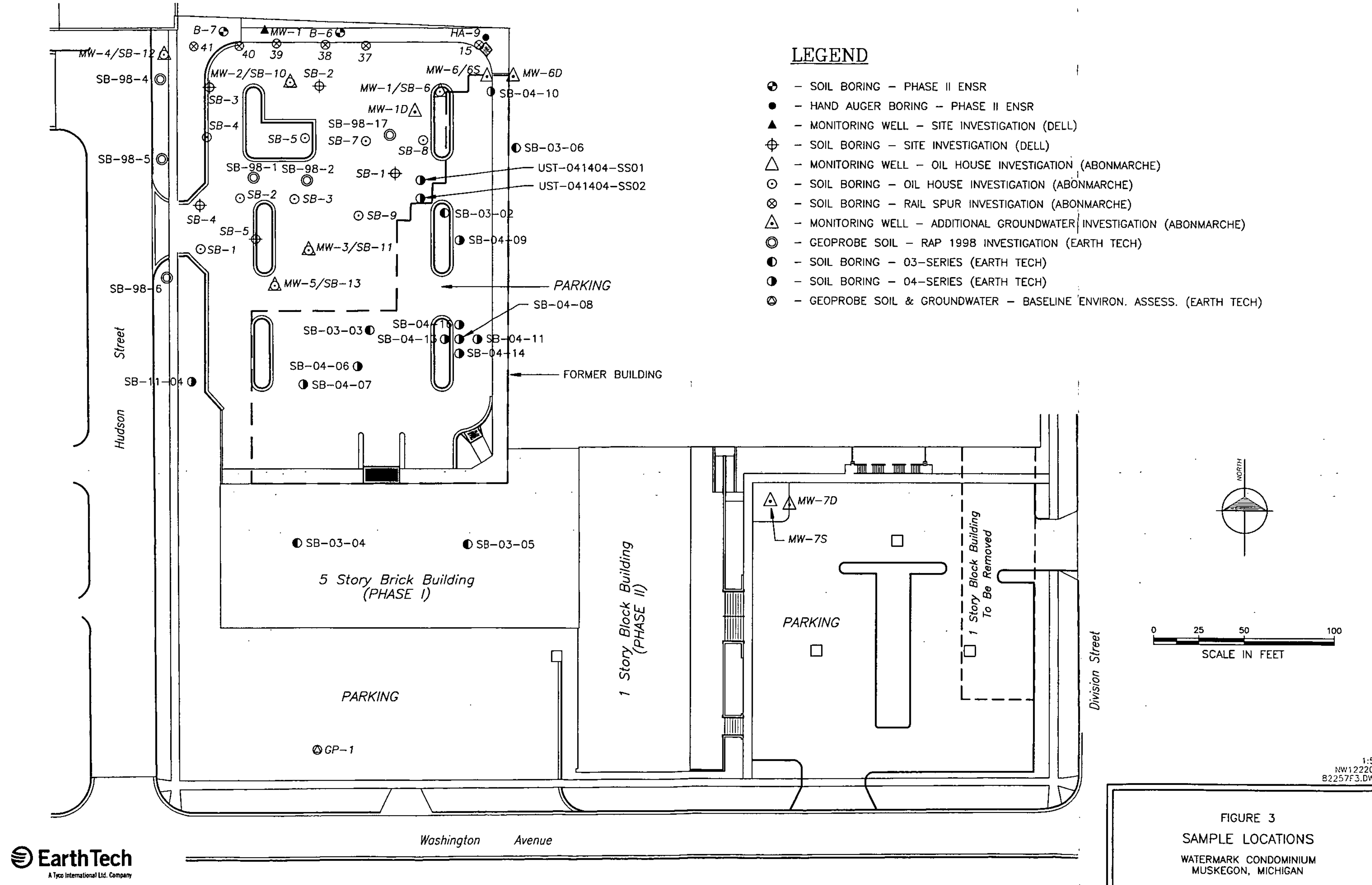


FIGURE 3

SAMPLE LOCATIONS

WATERMARK CONDOMINIUM
MUSKEGON, MICHIGAN

<u>DEVELOPMENT AND REIMBURSEMENT AGREEMENT</u>

THIS DEVELOPMENT AND REIMBURSEMENT AGREEMENT (the "**Agreement**") is made on <u>December 6,</u> 2016, by and between the CITY OF MUSKEGON, a Michigan municipal corporation, whose address is 933 Terrace Street, Muskegon, Michigan 49440 (the "**City**"), the CITY OF MUSKEGON BROWNFIELD REDEVELOPMENT AUTHORITY, a Michigan public body corporate, whose address is 933 Terrace Street, Muskegon, Michigan 49440 (the "**Authority**"), and P&G HOLDINGS NY, LLC, a New York limited liability company, whose address is 3811 13th Avenue, New York, New York 11218 (the "**Developer**").

RECITALS

A. Pursuant to P.A. 381 of 1996, as amended, ("**Act 381**"), the Authority adopted a brownfield plan in __________ (the "**Brownfield Plan**") to add property located at 920 Washington Avenue, 965 W. Western Avenue and 1330 Division Street, Muskegon, Michigan (the "**Property**").

B. The Developer owns the Property, which is included in the Brownfield Plan as an "eligible property" because it is a "facility", as defined by Part 201 of the Natural Resources and Environmental Protection Act ("**Part 201**") and adjacent or contiguous to the "facility". The Developer is not a liable party, under Part 201, for the contamination on the Property.

C. The Developer intends to conduct eligible activities on the Property in order to address environmental conditions and redevelop the site into a mixed use project that will include residential market rate rental units and a full-scale family entertainment center (the "**Project**"). The Project will include demolition, lead and asbestos abatement, site preparation, infrastructure improvements and brownfield plan/work plan preparation and development eligible activities under Act 381 (the "**Eligible Activities**"), all as described in the Brownfield Plan and eligible for reimbursement under Act 381. The total cost of the Eligible Activities, including contingencies, is $8,982,750 (the "**Total Eligible Brownfield TIF Costs**").

D. Additionally, the City intends to conduct eligible activities consisting of public infrastructure improvements to the roadway adjacent to the Property (the "**City Improvements**"). The total cost of the City Improvements, including contingencies, is $276,000 (the "**Total City Improvements Cost**").

E. Act 381 permits the Authority to capture and use the school tax (where applicable) and local property tax revenues (both real and personal property) generated from the incremental increase in property value of a redeveloped brownfield site constituting an "eligible property" under Act 381 to pay or to reimburse the cost of Eligible Activities conducted on the "eligible property" (the "**Brownfield TIF Revenue**").

F. In accordance with Act 381, the parties desire to establish the procedure for using the available Brownfield TIF Revenue generated from the Property to reimburse the Developer and City for completion of Eligible Activities on the Property in amounts not to exceed the Total Eligible Brownfield TIF Costs and the Total City Improvements Cost.

NOW, THERFORE, the parties agree as follows:

1. Reimbursement Source.

During the Term (defined below) of this Agreement, and except as set forth in Paragraph 3 below, the Authority shall reimburse both the Developer and City for the cost of its Eligible Activities conducted on the Property from the Brownfield TIF Revenue collected from the Property in proportion to the total overall Eligible Activities incurred under the Brownfield Plan. The amount reimbursed to Developer for the Eligible Activities shall not exceed the Total Eligible Brownfield TIF Costs and the Authority shall reimburse the City for its Eligible Activities in an amount not to exceed the Total City Improvement Costs. The Authority shall capture Brownfield TIF Revenue from the Property and reimburse the Developer and City for Eligible Activities until the earlier of the Developer and City being fully reimbursed or December 31, 2047. Reimbursement payments shall be made on a semi-annual basis as incremental local and school taxes are captured and available.

2. <u>Capture of Taxes</u>

During the term of this Agreement, the Authority shall capture all Brownfield TIF Revenue from the Property and use those revenues as provided in this Agreement.

3. <u>Reimbursement Process</u>.

(a) Developer shall submit to the Authority a "Request for Cost Reimbursement" of Eligible Activities paid for by the Developer on or before twelve (12) months after an unconditional certificate of occupancy has been issued for the Project. All costs for the Eligible Activities must be consistent with the approved Brownfield Plan. The Developer must include documentation sufficient for the Authority to determine whether the costs incurred were for Eligible Activities, including detailed construction draws or invoices and proof of payment or lien waivers. Copies of all invoices for Eligible Activities must note what Eligible Activities they support.

(b) Subject to the Corner Building Escrow Funds retention defined in Paragraph 3(c) and unless it disputes whether such costs are Eligible Activities within forty-five (45) days after receiving a Request for Cost Reimbursement from Developer, the Authority shall pay to the Developer the amounts for which submissions have been made pursuant to Paragraph 3(a) of this Agreement from which the submission may be wholly or partially paid from available Brownfield TIF Revenue from the Property as described in Paragraph 1. The Developer shall cooperate with the Authority's review by providing information and documentation to supplement the Request for Cost Reimbursement which may be reasonably requested by the Authority during its review period. If a partial payment is made by the Authority because of insufficient Brownfield TIF Revenue, the Authority shall make additional payments toward the remaining amount within thirty (30) days of its receipt of additional Brownfield TIF Revenue from the Property until all of the amounts for which submissions have been made, have been fully paid to Developer or the end of the Term (defined below), whichever occurs first. The Authority is not required to reimburse the Developer from any other source but may at its sole discretion. If the Authority determines that the requested costs are deemed ineligible for reimbursement, the Authority shall notify the Developer in writing of its reasons for rejection within the forty-five (45) day time period for review. The Developer shall then have forty-five (45) days to provide supplemental information or documents to the Authority demonstrating that the costs are eligible for reimbursement.

(c) The Developer agrees to pursue redevelopment of the existing building located at the southwest corner of W. Western Avenue and Division Street ("**Corner Building**") as follows. The Developer agrees to provide notice to the City and Authority before the Demolition Deadline (defined below) if Developer intends to commence rehabilitation of the Corner Building. For the purpose of this Section, "rehabilitation" shall include core and shell improvements to a white box stage in preparation for prospective tenants or other uses or development. If Developer, in its sole discretion, determines that redevelopment of the Corner Building is not feasible, Developer agrees to demolish or cause to demolish, by way of this Agreement, the Corner Building no later than two (2) years from the of the date of execution of this Agreement ("**Demolition Deadline**"). Developer will meet the Demolition Deadline if it commences demolition by the deadline and thereafter diligently pursues completion of demolition. The cost for demolition of the Corner Building is estimated at $150,000. In order to provide the City and Authority assurances that the Corner Building will be addressed as described above, the parties hereby agree that the Authority shall retain and place in escrow the first $150,000 of available Brownfield TIF Revenues (the "**Corner Building Escrow Funds**"). The Corner Building Escrow Funds shall be released to Developer upon the earlier of redevelopment of the Corner Building or at the time of demolition to pay for the cost to remove the building (in either case, such funds to be released as draws for work paid for by Developer on a monthly basis). If Developer does not comply with the foregoing and has taken no action by the Demolition Deadline, the City may thereafter notice Developer of its intent to undertake demolition of the corner building using the Corner Building Escrow Funds. Developer will have 30 days from the date of such notice to cure by commencing redevelopment or commencing demolition in accordance with the foregoing. If Developer does not so cure, the City may thereafter commence demolition on Developer's behalf using the Corner Building Escrow Funds, with any unused funds being returned to Developer once demolition is completed.

(d) The Authority shall send all payments to the Developer by registered or certified mail addressed to the Developer at the address shown above, or by electronic funds transfer directly to Developer's bank account. Developer may change the address by providing written notice sent by registered or certified mail to the Authority.

4. <u>Term of Agreement</u>.

The Authority's reimbursement to Developer of the Total Eligible Brownfield TIF Costs under this Agreement shall terminate the earlier of the date when all reimbursements to Developer and City required under this Agreement have been made or December 31, 2047 (the "**Term**"). If the Term of this Agreement ends before the full reimbursement of all of Developer's Total Eligible Brownfield TIF Costs and City's Total City Improvement Cost, the last reimbursement payment by the Authority shall be the summer and winter tax increment collected during the final year of this Agreement.

5. <u>Adjustments</u>

If, due to an appeal of any tax assessment or reassessment of any portion of the Property or for any other reason the Authority is required to reimburse any Brownfield TIF Revenue to any tax levying unit of government, the Authority may deduct the amount of any such reimbursement, including interest and penalties, from any amounts due and owing the Developer. If all amounts due the Developer under this Agreement have been fully paid or the Authority is no longer obligated to make any further payments to the Developer, the Authority shall invoice the Developer for the amount of such reimbursement and the Developer shall pay the Authority such invoiced amount within forty-five (45) days of the Developer's receipt of the invoice. Amounts invoiced and paid to the Authority by the Developer pursuant to this paragraph shall be reinstated as Eligible Activities for which the Developer shall have the opportunity to be reimbursed in accordance with the terms, conditions and limitations of this Agreement. Nothing in this Agreement shall limit the right of the Developer to appeal any tax assessment.

6. Legislative Authorization.

This Agreement is governed by and subject to the restrictions set forth in Act 381. If there is legislation enacted in the future that alters or affects the amount of Brownfield TIF Revenue subject to capture, eligible property, or eligible activities, then the Developer's rights and the Authority's obligations under this Agreement shall be modified accordingly as required by law, or by agreement of the parties.

7. Notices.

All notices shall be given by registered or certified mail addressed to the parties at their respective addresses as shown above. Any party may change the address by written notice sent by registered or certified mail to the other party.

8. Assignment.

This Agreement and the rights and obligations under this Agreement shall not be assigned or otherwise transferred by any party without the consent of the other party, which shall not be unreasonably withheld, *provided*, *however*, the Developer may assign its interest in this Agreement to an affiliate without the prior written consent of the Authority, provided, any such assignee shall acknowledge to the Authority in writing on or prior to the effective date of such assignment its obligations upon assignment under this Agreement, *provided*, *further*, that the Developer may make a collateral assignment of the Brownfield TIF Revenue for project financing purposes. As used in this paragraph, "affiliate" means any corporation, company, partnership, limited liability company, trust, sole proprietorship or other entity or individual which (a) is owned or controlled by such Developer, (b) owns or controls such Developer or (c) is under common ownership or control with such Developer. This Agreement shall be binding upon any successors or permitted assigns of the parties.

9. Entire Agreement.

This Agreement supersedes all agreements previously made between the parties relating to the subject matter. There are no other understandings or agreements between them.

10. Non-Waiver.

No delay or failure by any party to exercise any right under this Agreement, and no partial or single exercise of that right, constitutes a waiver of that or any other right, unless otherwise expressly provided herein.

11. Headings.

Headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.

12. Governing Law.

This Agreement shall be construed in accordance with and governed by the laws of the State of Michigan.

13. Counterparts.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

14. Binding Effect.

The provisions of this Agreement shall be binding upon and inure to the benefit of all the parties and their respective heirs, legal representatives, successors and assigns.

The parties have executed this Agreement on the date set forth above.

CITY OF MUSKEGON

By:________________________

Its:________________________

CITY OF MUSKEGON BROWNFIELD
REDEVELOPMENT AUTHORITY

By: Eugene A. [illegible]

Its: Chairman

P&G HOLDINGS NY, LLC

By:________________________

Its:________________________

Commission Meeting Date: January 10, 2017

Date: January 5, 2017

To: Honorable Mayor and City Commissioners

From: Planning & Economic Development

RE: Amendment to the Zoning Ordinance – Waterfront Industrial Planned Unit Development (WI-PUD)

SUMMARY OF REQUEST:

Staff-initiated request to amend the Waterfront Industrial Planned Unit Development (WI-PUD) District to modify the preamble, uses permitted (Section 1504), prohibited uses (Section 1505), and review standards (Section 1506).

FINANCIAL IMPACT:

None

BUDGET ACTION REQUIRED:

None

STAFF RECOMMENDATION:

To approve the zoning ordinance amendment.

COMMITTEE RECOMMENDATION:

The Planning Commission unanimously recommended approval of the ordinance amendment, with one member absent.

Staff Report (EXCERPT)
CITY OF MUSKEGON
PLANNING COMMISSION
REGULAR MEETING

Hearing, Case 2016-19: Staff-initiated request to amend the Waterfront Industrial Planned Unit Development (WI-PUD) District to modify the preamble, uses permitted (Section 1504), prohibited uses (Section 1505), and review standards (Section 1506).

BACKGROUND

1. In this district, all new projects are required to go through the Planned Unit Development process.
2. Staff is recommending some modifications to the district in order to best utilize some of the property on the east end of Muskegon Lake.
3. In the preamble, a statement was added to reiterate that every project in these districts should have a key principal use defined to ensure that the property is utilized to its fullest potential.
4. Under Section 1504 – Principal Uses - Staff recommends moving number 1,3 and 6 to Accessory Uses. This will emphasize that these properties must have a major commercial operation as a principal use and are not solely utilized for minimally staffed operations.
5. Also under Section 1504- Principal Uses - Staff recommends removing number 5. The elimination of aggregate storage would eliminate blight on the waterfront. Also, aggregate storage does not produce many jobs and contributes to blight and water pollution. This use would be moved to prohibited uses.
6. Also under Section 1504- Principal Uses- Staff recommends adding “with proper screening” to number 11. The new language would read “Commercial engine and hull repair with property screening.” This will help reiterate that anything that could contribute to blight should be screened whenever practical.
7. Under Section 1506: Review Standards – Staff recommends eliminating number 10 and 11. These relate to aggregate storage, which would no longer be allowed.

NEW LANGUAGE
Deletions are ~~crossed out~~ and additions are in **bold.** Numbers will be reordered accordingly:

WI-PUD Waterfront Industrial Planned Unit Development

WI-PUD WATERFRONT INDUSTRIAL PLANNED UNIT DEVELOPMENT DISTRICTS [amended 10/12]

PREAMBLE

The Waterfront Industrial PUD district is established primarily for water-dependent, commercial shipping of bulk, general cargo, or container goods by freighter, bulk carrier, tanker, tug barge, or other similar commercial vessels. The WI-PUD District is intended to promote the consolidation of commercial port activities at the eastern terminus of Muskegon Lake because of its proximity to the interstate, established industrial uses, and isolation from residential zones. The intent is to localize this district to promote symbiotic relationships among industrial port activities and to discourage the expansion of such activities elsewhere along Muskegon Lake frontage. It is further the intent of this district to require planned unit developments for all projects to ensure a mix of port uses that enhances the industrial economic base of the city. The planned unit development tool shall be applied to promote flexibility in development and to enhance functional relationships among uses in the district. **All projects in these districts should have a key principal use defined to ensure that the property is utilized to its fullest potential.**

The general categories of uses permitted in the WI-PUD district are associated with standard industrial classifications, major group industry 44, "Water Transportation" as found in the 1987 Standard Industrial Classification Manual prepared by the Executive Office of the President, Office of Management and Budget.

SECTION 1504: USES PERMITTED

The following uses, and their accessory buildings and accessory uses, shall be permitted as planned unit developments. Planned unit developments shall be reviewed and approved by the Planning Commission and City Commission subject to the conditions outlined below.

PRINCIPAL USES:

1. ~~Water transportation of freight~~

2. Railroad and auto passenger ferries.

3. ~~Marine cargo handing; loading, unloading and stevedore facilities.~~

4. Marine terminal uses including ancillary inter-modal transportation operations.

5. ~~Any use with outside storage of aggregate, limestone, coal, slag, salt, sand or other bulk materials shipped by commercial watercraft vessels and or barges.~~

6. ~~Grain elevators~~.

7. Bulk and warehouse storage of goods shipped by commercial maritime vessels.
8. Towing and tugboat services for commercial freight water vessels.

9. Barge fleeting, mooring and servicing.

10. Lighterage.

11. Commercial engine and hull repair, **with appropriate screening**.

12. Marine dock, breakwater, harbor construction and repair contracting.

13. Marine dredging contractors.

14. Palletizing, decanning, container stripping and packing operations associated with maritime shipping and transport.

15. Bulk liquid facilities of non-hazardous materials.

16. Material recovery facilities that are entirely contained in buildings.

17. Commercial fishing facilities.

18. Manufacturing that is dependent on port facilities.

19. Any other uses which meet the intent of this district as deemed by the Planning Commission and City Commission; except that in no case shall a prohibited use be permitted.

ACCESSORY USES:

1. Docks, wharves, piers or transit sheds or related facilities used in connection with the transfer, handling, storage and transit and incidental processing of cargo from or to waterborne craft.

2. Truck or rail freight terminal supporting water freight transport.

3. Offices associated with port facilities and functions.

4. Parking decks.

5. Watchmen quarters employed on the premise.

6. Lift equipment to load and unload ships.

7. Weigh stations.

8. Lighthouse.

9. Fuel dock.

10. Seaplane base.

11. Water transportation of freight

12. Marine cargo handling; loading, unloading and stevedore facilities.

SECTION 1505: PROHIBITED USES

1. Asphalt batching.

2. Cement processing.

3. Storage of petroleum products stored in excess of 1,000 gallons.

4. Hazardous material or hazardous chemical storage or transport.

5. Ship cleaning.

6. Salvage yards, ship scrapping, dismantling and wrecking operations not wholly contained in buildings.

7. Livestock holding.

8. Marine Salvage.

9. Open storage of fertilizers, agricultural lime and other chemicals.

10. Billboards.

11. Any use with outside storage of aggregate, limestone, coal, slag, salt, sand or other bulk materials shipped by commercial watercraft vessels and or barges.

SECTION 1506: REVIEW STANDARDS

The Planning Commission shall approve, deny or modify preliminary planned unit development plans, based upon the site plan review and landscaping standards of this ordinance and the following standards below. Likewise, the City Commission shall approve, deny, or modify final planned unit development plans (after review and recommendation by the Planning Commission) based upon the following standards:

1. The uses proposed will have a beneficial effect, in terms of public health, safety, welfare, or convenience of any combination thereof, on present and potential surrounding land uses. The uses proposed will not adversely affect the public utility and circulation systems, surrounding properties, or the environment.

2. The uses proposed should be consistent with the land use plans adopted by the City.

3. The amount of open space provided is compatible with and meets the requirements of this ordinance, which the Planning Commission or City Commission may modify, even though such modifications do not conform to that required in other sections of this ordinance.

4. The amount of off-street parking areas is adequate, which the Planning Commission or City Commission may modify even though such modifications do not conform to that required in other sections of this ordinance.

5. The amount of landscaping and buffering areas provided are compatible with and meet the requirements of this ordinance, which the Planning Commission or City Commission may modify even though such modifications do not conform to that required in other sections of this ordinance.

6. The design provides for the protection or enhancement of significant natural, historical, or architectural features within the proposed development area.

7. The uses proposed will result in safe, convenient, uncongested and well defined vehicular and pedestrian circulation systems.

8. The land uses presented shall provide a mix of uses to perpetuate an economically viable, mixed use port.

9. The project shall demonstrate adequate support services for all activities.

10. ~~Stockpiles of salt and agricultural lime must be covered or sufficiently isolated from the surface water to prevent leaching.~~

11. ~~Aggregate, salt, lime, or soil stockpiling areas shall not occupy more than 30% of the site or district.~~

12. Truck freight terminals shall not occupy more than 30% of the site area or district. Trucks shall be stored a minimum of two hundred (200) feet from the ordinary high water mark.

CITY OF MUSKEGON

MUSKEGON COUNTY, MICHIGAN

ORDINANCE NO._____

An ordinance to amend the Waterfront Industrial Planned Unit Development District section of the zoning ordinance to modify the preamble, uses permitted (Section 1504), prohibited uses (Section 1505), and review standards (Section 1506).

THE CITY COMMISSION OF THE CITY OF MUSKEGON HEREBY ORDAINS:

NEW LANGUAGE

NEW LANGUAGE
Deletions are ~~crossed out~~ and additions are in **bold.** Numbers will be reordered accordingly:

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SECTION 1504: USES PERMITTED

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PRINCIPAL USES:

1. ~~Water transportation of freight~~

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4. Marine terminal uses including ancillary inter-modal transportation operations.

5. ~~Any use with outside storage of aggregate, limestone, coal, slag, salt, sand or other bulk materials shipped by commercial watercraft vessels and or barges.~~

6. ~~Grain elevators~~.

7. Bulk and warehouse storage of goods shipped by commercial maritime vessels.
8. Towing and tugboat services for commercial freight water vessels.

9. Barge fleeting, mooring and servicing.

10. Lighterage.

11. Commercial engine and hull repair, **with appropriate screening**.

12. Marine dock, breakwater, harbor construction and repair contracting.

13. Marine dredging contractors.

14. Palletizing, decanning, container stripping and packing operations associated with maritime shipping and transport.

15. Bulk liquid facilities of non-hazardous materials.

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4. Parking decks.

5. Watchmen quarters employed on the premise.

6. Lift equipment to load and unload ships.

7. Weigh stations.

8. Lighthouse.

9. Fuel dock.

10. Seaplane base.

11. Water transportation of freight

12. Marine cargo handling; loading, unloading and stevedore facilities.

<u>SECTION 1505: PROHIBITED USES</u>

1. Asphalt batching.

2. Cement processing.

3. Storage of petroleum products stored in excess of 1,000 gallons.

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5. Ship cleaning.

6. Salvage yards, ship scrapping, dismantling and wrecking operations not wholly contained in buildings.

7. Livestock holding.

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9. Open storage of fertilizers, agricultural lime and other chemicals.

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2. The uses proposed should be consistent with the land use plans adopted by the City.

3. The amount of open space provided is compatible with and meets the requirements of this ordinance, which the Planning Commission or City Commission may modify, even though such modifications do not conform to that required in other sections of this ordinance.
4. The amount of off-street parking areas is adequate, which the Planning Commission or City Commission may modify even though such modifications do not conform to that required in other sections of this ordinance.

5. The amount of landscaping and buffering areas provided are compatible with and meet the requirements of this ordinance, which the Planning Commission or City Commission may modify even though such modifications do not conform to that required in other sections of this ordinance.

6. The design provides for the protection or enhancement of significant natural, historical, or architectural features within the proposed development area.

7. The uses proposed will result in safe, convenient, uncongested and well defined vehicular and pedestrian circulation systems.

8. The land uses presented shall provide a mix of uses to perpetuate an economically viable, mixed use port.

9. The project shall demonstrate adequate support services for all activities.

10. ~~Stockpiles of salt and agricultural lime must be covered or sufficiently isolated from the surface water to prevent leaching.~~

11. ~~Aggregate, salt, lime, or soil stockpiling areas shall not occupy more than 30% of the site or district.~~

12. Truck freight terminals shall not occupy more than 30% of the site area or district. Trucks shall be stored a minimum of two hundred (200) feet from the ordinary high water mark.

This ordinance adopted:

Ayes:____

Nayes:____

Adoption Date:____

Effective Date:____

First Reading:____

Second Reading:____

CITY OF MUSKEGON

By: ________________________________
Ann Meisch, MMC, City Clerk

<u>CERTIFICATE</u>

The undersigned, being the duly qualified clerk of the City of Muskegon, Muskegon County, Michigan, does hereby certify that the foregoing is a true and complete copy of an ordinance adopted by the City Commission of the City of Muskegon, at a regular meeting of the City Commission on the 10th day of January, 2017, at which meeting a quorum was present and remained throughout, and that the original of said ordinance is on file in the records of the City of Muskegon. I further certify that the meeting was conducted and public notice was given pursuant to and in full compliance with the Michigan Zoning Enabling Act, Public Acts of Michigan No. 33 of 2006, and that minutes were kept and will be or have been made available as required thereby.

DATED: ____________________, 2017.

____
Ann Meisch, MMC
Clerk, City of Muskegon

Publish: Notice of Adoption to be published once within ten (10) days of final adoption.

CITY OF MUSKEGON
NOTICE OF ADOPTION

Please take notice that on January 10, 2017, the City Commission of the City of Muskegon adopted an ordinance to amend the Waterfront Industrial Planned Unit Development District section of the Zoning Ordinance to modify the preamble, uses permitted (Section 1504), prohibited uses (Section 1505), and review standards (Section 1506). Copies of the ordinance may be viewed and purchased at reasonable cost at the Office of the City Clerk in the City Hall, 933 Terrace Street, Muskegon, Michigan, during regular business hours.

This ordinance amendment is effective ten days from the date of this publication.

Published ____________________, 2017.

CITY OF MUSKEGON

By ________________________________

Ann Meisch, MMC
City Clerk

PUBLISH ONCE WITHIN TEN (10) DAYS OF FINAL PASSAGE.

Account No. 101-80400-5354

WI-PUD Districts in the City of Muskegon